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SATURDAY, DECEMBER 8, 1934 VOLUME 71, NUMBER 2

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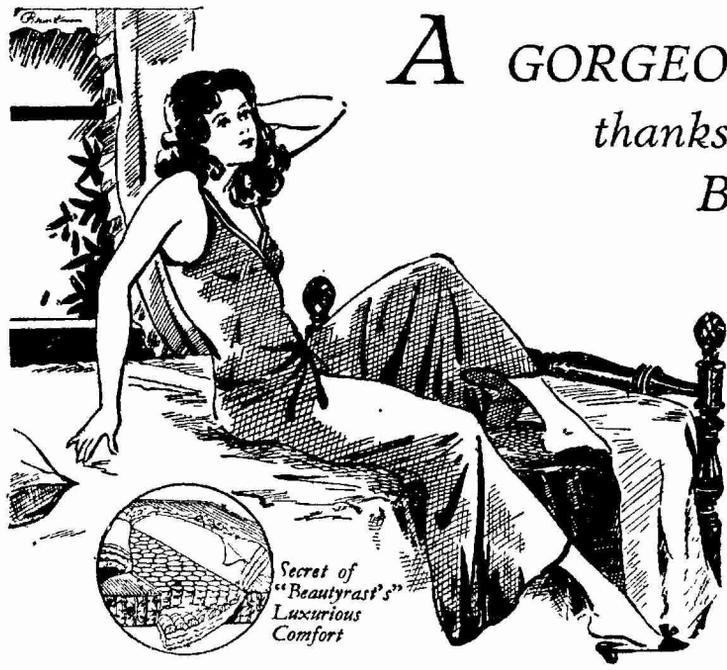

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Shanghai, Dec. 5, 1934

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Demand buying rate on America:	U.S.$1.00=Sh. $ 2.91
Demand selling rate on London:	£1.0.0=Sh. $14.71
Demand buying rate on London:	£1.0.0=Sh. $14.38

Latest New York Stock Exchange Quotations

December 5, 1934
Business Done:
Total Volume:- 950,000 Shares

1933-34 High	Low	Div. $ per sh.	STOCKS	Last Sale Dec. 3	Dec. 4
13¾	3	—	Adams Express	7⅝	7⅝
113	47½	3.00	Air Reduction	111¼	110½
33	11½	1.20	Alaska Juneau	17⅝	17⅝
160¾	70¾	6.00	Allied Chemical	136	135½
26⅜	6	—	Allis Chalmers	15	15⅛
42½	9½	0.80	Am. Brake Shoe & Fdry.	24¾	24⅜
107¾	49½	4.00	American Can	104½	106½
89⅞	13	—	Amer. Commil. Alcohol	32¼	32⅞
22½	3¼	0.25	Amer. Cyanamid "B"	17¼	17½
19⅝	3⅞	—	American & Foreign Power	5½	5
27⅝	3⅛	—	American Metal Company	13⅜	13
53½	10¾	—	American Smelting	35¾	35⅞
134¾	86½	9.00	American Tel. & Tel.	107⅝	109¾
94¾	50¾	5.00	American Tobacco "B"	85¾	85¾
43¼	10⅞	1.00	American Waterworks	15	14½
22⅞	5	—	Anaconda Copper	10¾	10⅝
18⅝	5⅜	—	Atlas Corporation	9½	9⅞
84¼	16⅞	—	Auburn	25⅝	26
37⅞	8¼	—	Baltimore & Ohio	15	15½
49½	10⅜	—	Bethlehem Steel	30½	31¾
10¼	6¾	—	Boeing Airplane Co.,	9⅝	9⅞
29⅜	5½	1.00	Borg Warner	27⅞	27⅞
20⅞	7½	—	Canadian Pacific Railway	12⅜	12¼
103½	30½	—	Case, J. I.	52½	53
40¾	15⅞	1.40	Chase National Bank	25	25¼
52½	14⅞	2.50	Cheapeake Corporation	40¼	42⅝
60⅜	7¾	1.00	Chrysler	39	39¼
28½	7⅛	—	Columbia Gas & Electric	8½	8¼
6⅛	1	—	Commonwealth & Southern (ord.)	1⅝	1⅜
64½	22	2.00	Consolidated Gas of N. Y.	23⅝	24
23¾	4⅞	1.00	Continental Oil	19¼	19
9⅞	2	—	Coty Inc.	6¾	6⅞
5½	1½	—	Curtiss Wright Company (Com.)	3	3
93¾	35	—	Delaware & Hudson	41	42¼
28½	10¼	—	Douglas Aircraft	23⅜	24¼
103⅞	32½	2.60	Du Pont de Nemours	96½	98½
116½	46	4.00	Eastman Kodak	113¾	112½
41⅝	7⅝	—	Electric Bond & Share	8¾	8⅝
15⅝	2⅞	—	Electric Power & Light	3¼	3⅜
19	8¼	—	Fox Film "A"	14	14⅞
50⅝	16½	2.00	Freeport Texas	27½	26⅞
10¾	2⅞	—	General Aviation	5⅝	5⅜
30¼	10½	0.60	General Electric	20	20½
39⅞	21	1.80	General Foods	34⅞	35
42	10	1.00	General Motors	32½	32¾
40½	13¼	1.00	General Railway Signal	29	28½
27¾	12	1.20	Gold Dust	17⅝	17⅜
47½	9¼	—	Goodyear Tire & Rubber	24½	25
81½	15	3.00	Hercules Power Co.	78¾	79½
57¼	25	3.00	Howe Sound	49¼	48½
40	6½	—	International Cement	29	28¾
46⅞	13⅛	0.60	International Harvester	38	38½
29¼	6¾	0.60	International Nickel	23⅞	23
21¾	5⅛	—	International Tel. & Tel.	9	9⅛
66⅜	12¼	—	Johns Manville	53⅝	54⅛
26	7⅜	0.60	Kennecott	16⅞	16
79⅝	37½	2.40	Lehman Corporation	70¼	70¾
110	49	4.00	Liggett & Myers "B"	107½	107¾
37¼	8½	1.00	Loew's Inc.	36¼	36½
25¼	10⅜	1.20	Lorillard	21⅞	21¾
35⅝	8⅝	—	Montgomery Ward	29⅝	29⅝
43	16⅞	1.00	National City Bank	22	22¼
33¼	16½	—	National Distillers	26⅞	27⅛
58½	14	—	New York Central	21⅝	22¾
36½	10¾	1.00	North American	13⅝	13⅝
96¾	31½	4.00	Owens Illionois Glass	84½	85
31⅞	13¼	1.50	Pacific Gas & Electric	15	14⅞
6⅞	1⅜	—	Packard Motors	4	4
6⅜	1½	—	Pennroad Corporation	2	1⅞
42½	13¾	1.00	Pennsylvania Railroad	24½	25
20¾	4¾	1.00	Phillips Petroleum	15⅝	15¼
12¼	3	—	Radio Corporation	6	6
54¼	26½	3.00	Reynolds Tobacco "B"	51⅝	52¾
51¾	12½	—	Sears Roebuck	40	41
19⅞	6	0.60	Socony-Vacuum	14⅞	14⅝
28	10¼	1.50	Southern California Edison	12⅛	12⅛
22½	5½	—	Standard Gas & Electric	5¾	6
50¼	22¾	1.00	Standard Oil Co. of N. J.	42⅝	42¼
66⅛	45¾	3.80	Sterling Products	60	60¼
9¼	1½	—	Studebaker	2	2
30½	10¾	1.00	Texas Corporation	21⅞	21¾
9¾	2⅝	.12½	Transamerica	5⅞	6
51⅞	19¾	1.40	Union Carbide & Carbon	45¾	46
133⅞	61¼	6.00	Union Pacific	107	108¼
13	8⅛	—	United Aircraft (New)	13	13⅝
14½	2⅞	—	United Corporation	3½	3
25	11¾	1.20	United Gas Improvement	18¼	18¼
62½	21½	2.00	Universal Leaf	58½	58⅞
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67½	28⅜	—	U. S. Steel	37½	38
36¼	7⅝	—	Vanadium	19½	19⅞
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The China Weekly REVIEW

Formely Millard's Review

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

LO, THE POOR RICSHA COOLIE!

OUR neighbor, the *Shanghai Evening Post*, is astounded at the *denouement* in the matter of Municipal control of ricshas in Shanghai. The *Post* had put its heart and soul into this matter of securing amelioration for the lot of the ricsha puller in Shanghai, printed page after page day after day, and its chagrin is easily understood. The *Review* devoted but scant space to the subject not because we did not consider it important, but because from the start we have felt dubious as to the outcome of the whole scheme of reform proposed by the Shanghai Municipality and we now have the word of one of the most ardent champions of the coolies that its efforts have, unfortunately, been largely in vain.

Millions of residents of the Western World are probably not even now aware of the fact that in the principal cities of China, and to a somewhat less extent in Japan, the most ubiquitous vehicle on the streets is pulled by men, and not by horses. Such is the intensiveness of the struggle for existence in the overcrowded Eastern world that those at the bottom of the scale must compete with the four-legged branch of the animal kinglom in performing traction duties, in order to secure the wherewithal to eke out a miserable existence—an existence more miserable than the average well-to-do resident of this metropolis, be he Chinese or foreign, has even an inkling of. The ricsha, or to give it its full name jin, (人 "man") ricki (力 "power") sha, (車 "cart") is a comparatively modern invention. It was first used in Japan, and is said to have been introduced by a foreign missionary, who was not satisfied with the then general means of getting about, namely a palanquin, or sedan chair, carried by two or more bearers, similar to the kind that Benjamin Franklin and his contemporaries went about in in Colonial days in America. The pronunciation of the characters above is the Japanese pronunciation. The Chinese pronunciation is somewhat different. Curiously enough neither the Japanese nor the Chinese call this vehicle by the original name. The Japanese usually use the word *kuruma*, which is a variant pronunciation for the character above shown for "cart."

But to get back to the Shanghai ricsha coolies. The Post in its editorial says:

Trafficking in public ricsha licenses, one of the important evils hit by the original report of the Ricsha Commission, is not only sanctioned but given the holy seal of Shanghai Municipal Council approval by terms of the newest "compromise agreement," alias backdown, released to the public and due for approval by the Ricsha Owners Association on Monday.

What is probably even more important, it now appears that the ricsha owners are eventually to have full control of the nomination of pullers to be licensed by the Council. First they are to nominate 30,000; if this works out happily, they will nominate the other 10,000, and if 40,000 are not enough, more will be nominated and licensed.

It is said that "in the event of the death, misconduct or departure of a puller from Shanghai, the owners will be allowed to nominate one to his case." No definitions are given. We would not precisely suggest that failure to pay exorbitant squeeze to owner or middleman would be likely to be construed by these worthies as "misconduct," but in the light of their past piratical record is there any reason to think the contrary?

As to the new model ricsha, 350 old models are to be put forth made up from spare parts, though 131 previously condemned ricshas must be replaced by new model vehicles—recommendations for revision of the specifications being meanwhile considered. This is not particularly interesting in view of the other backdowns but it is in character with the general nature of this latest moral debacle on the part of those entrusted with the task of "reform."

Just to make the matter thoroughly entertaining, to everyone but such unimportant people as the public, the Board is agreeing to allow inspection of ricshas only once every four months instead of once every two months as at present!

There is more to the Grand Backdown but that is about all we can stand at the moment. It is astounding. It is shameful.

The Review suggested in its issue of Sept. 8 that the Municipal Council would be better advised to leave the ricsha situation in *statu quo*. This attitude should not be construed as callousness on our part. From our point of view things have developed to the point in the International Settlement of Shanghai where the foreign authorities are helpless in attempting to regulate the relations of employer and employee where the parties on both sides are Chinese, which is the case, generally speaking, as regards the ricsha situation. The obvious reason why the Municipal Council in the end "backed down," if one wishes to use that term, is that , after weighing the possibilities of "trouble" if it attempted to enforce its ideas—however worthy and laudable they may have been—it decided that discretion was the better part of valor, and agreed to a compromise with the employers.

We rather fear that in the end the Ratepayers of Shanghai have been saddled with a very considerable expense without material amelioration for the lot of ricsha coolies to show for it. The posting of minimum fares on the ricshas is 95 per cent a farce. The great mass of ricsha riders, who are naturally Chinese, will continue to do as they always have, to bargain for the fare in advance, and the coolies, as a matter of fact, look upon a Chinese rider who enters his vehicle without making the usual agreement as a minor Croesus who is willing to pay an extra fare. The posted fares serve one purpose, at any rate. They give the tourist and the occasional stranger within our gates some idea of what they ought to pay. Previously they were the one source from which the ricsha coolie felt sure that he would be able to get his due—and usually something in addition!

RUSSIAN TRAGEDIES---SPECIFIC AND IN GENERAL

THE Russian colony in Shanghai has once more been the scene of a love tragedy. The story, sufficient for the purposes of this comment, is told in a daily newspaper headline, picked out at random:—"Russian Cuts Woman's Throat, Then His Own, Leaps to Death—Mrs. Tamara Fedorovna Killed by Constantin Berescuk in Love Quarrel After Husband Leaves Home."

Love tragedies are common among all classes and races, but not to the extent which they have developed among the Russians in Shanghai. It would be unfair to assume that they are an exceptional characteristic of the Russian people as a nation, although Russia presents its full share. The spectacle of the last Empress of Czarist Russia arranging to have the dead body of the murdered Rasputin buried in a special graveyard at Tsarskoe Selo and a special chapel erected in his memory—she going there nightly to pray over his grave—is a conspicuous example in Russian life. Any one doubting the correctness of this statement as to the late Czarina is respectfully referred to the fourteenth edition of the *Encyclopedia Britannica*, under the heading "Rasputin."

The main reason, we suggest, for the fact that a disproportionate area of the average Russian brain in Shanghai is devoted to amative excitation is the peculiar, almost tragic, condition under which Russians live here. Suicides are sometimes reported at the rate of several a week. Outside of Paris, Shanghai has the largest emigré Russian colony in the world. In saying that we do not mean that the Russian colony here nearly approaches the size of the Russian colony (there by the way, they are almost all Jews) in New York city, for example. But the Russian colony in New York dates many years back and is in no sense emigré. On the other hand, the Russian colony in Shanghai is entirely a post-war, and particularly a post revolutionary, development. The great mass of Russians here live in the French Concession. So far as numbers and characteristics of life are concerned the French Concession would be more correctly named the Russian Concession. Avenue Joffre, the main shopping thoroughfare of the French Concession, has all the characteristics of a Russian street. Nine-tenths of the shop signs are in Russian. Most of the shops are owned by Russians. In addition, many of the comparatively few Chinese shopkeepers on this street have adopted Russian signs, with a hope of attracting some of the Russian trade which comes in from the cross streets. These Russian shopkeepers show of what genuine stuff some of the Russians are made. They landed here, most of them, with little money, and less shop experience. They found themselves up against a situation which no other Caucasian people had been placed

in up until that time, namely that of meeting the Chinese on their own ground, on their own level, —and not only competing with them, but in some cases actually pushing them out. That took hard work, clean thinking and what might be termed a "scraping" standard of living. But a large proportion of the Russian colony is not made of such stern stuff. They find that the odds against them —and let those who have not investigated the subject take it from us that they are exceedingly great—are so stupendous that they give up all hope of making an honest living. They, like Dicken's character of Micawber, hang around and wait for "something to turn up." What usually turns up is something bad, some shady scheme, some gambling device, or plan to cheat a Chinese, or something of that sort. In the long waits between, the amative element develops and as many of them have no means to support themselves, much less to bear the expense of even the slightest advances to the fair sex,—and even the humblest of them expects a modicum in this respect—they also hang around for something in this line to "turn up"—and what turns up is usually illegitimate, in this direction also.

A RIOT OF COLOR AND FLAMING LIGHTS IN SHANGHAI

THE recent opening in Shanghai of a 22-story hotel opposite the Shanghai Race Course, owned and operated entirely by Chinese, equipped with the very latest of devices from two hemispheres to cater for the comfort and convenience of guests, is but one of many ways in which this International Settlement, upon the banks of the murky Whangpoo—not on the banks of the Yangtsze, as many residents of the Western world seem to imagine—has been forging ahead in recent years. Even the great White Way (upper Broadway in New York City) and *La Ville Lumiere* (Paris) have to look to their laurels. It may be news to many that Shanghai displays more Neon lights than any city in the world except Los Angeles. No people surpass the Chinese in appreciating the value of light and color—either for their own sake, or for the sake of advertising. The streets of Shanghai, and to a somewhat less extent some other Chinese cities, are a riot of color by day and a blaze of glorious light by night. American or European cities are only bedecked with streamers, bunting and flags on exposition days or for some special event, as for example, a political convention; but even on such occasions no Western city can vie with Shanghai as it presents its face to the world as a matter of every day routine. Look up Nanking road, Avenue Edward VII, or any other commercial thoroughfare. Banners, signs, flags, streamers and bunting appear in all the colors of the rainbow. Flaming red, sedate pink, flaunting yellow, brilliant gold, glistening silver—these and many more colors—let the world know that the best silks in the world, or the best hams, the best silverware, etc. etc., are all to be had at bargain prices there ready for your selection. Many of the shops, not satisfied with the signs, tempt the eventual customers with samples. The shop where cotton wadding is sold, for example, will not merely display the stuff in the window; the owner will hang a sample of the wadding itself at the end of a string, at the end of a light bamboo pole, so that it will be seen by the pedestrian way down the street, long before he sees the shop itself. As regards display at night, the reason why the Neon lights are so popular among the Chinese is the facility with which the glass tubes may be bent to depict the intricacies of Chinese writing. Ordinary bulbs are almost valueless for this purpose. Neon, by the way, is not the name of the manufacturer of this kind of light. It is merely the name of the gas which is used in the tubes, extracted from the atmosphere at huge expense—a process even more complicated and expensive than that of extracting nitrogen from the same source. This form of light was the invention of a Belgian. In most cities, or countries, the invention is in the hands of one company as a strict monopoly. Here in Shanghai, owing to the peculiar political situation, the one company that is supposed to have the monopoly has not been able to maintain it, and has to put up with the competition of at least two other Neon companies. The result is that the price of this form of illumination in Shanghai has been brought to the nadir of cheapness—which is a contributing reason for this kind of light being in such general use. In addition, the electric current is available here at exceedingly moderate rates.

HERR HESS TO GO ON "GOOD WILL" MISSION TO FRANCE

THE proposed "good will" mission of Herr Hess to France is one which all peace lovers hope will bear fruit. The eternal suspicion and feud between France and Germany are among those things which are to a large extent inexplicable to the outside world, although it is always to be remembered that one's views on such matters are often changed when they come close to one's doors, instead of being viewed from afar. A conspicuous example of that was to be seen in the *Saturday Evening Post* in 1914, and later. When the war first broke out in Europe and when the possibility that America might be involved in it was not even thought of, then the *Post* printed such unctuous comments as that there was really no more reason for the nations of Europe to fight each other than there was for the original Indian Redskin inhabitants on American soil to tomahawk each other—all due to misunderstanding and bad training—and more to the same effect. The point of this reference is not that the *Post* was wrong in its comment. It is that it completely forgot all about its moral maxims when America itself threw down the gauntlet; it then became one of the most rabid of supporters of the war—which, no doubt, it was its patriotic duty to do.

When one examines the reasons why the French and Germans are nearly always at dagger's points one finds it generally in the kind of teaching that is inculcated in the schools. Take the situation in France, for example, as it has existed for

many years. The curriculum makes a point of emphasizing the fact that Germany is France's traditional enemy. A large proportion of the youth steps from a compulsory school into a compulsory army. These children have no chance of forming an independent opinion of their own. Probably not five per cent of the French people ever visit the neighboring country of Germany, as friends. As a matter of fact few of them ever got a chance to visit it as enemies, as the Germans had the very good sense to give up at the very moment that they saw that further resistance was useless. The principal point in dispute between the two countries has been for more than a century as to who shall rule Alsace. If the Alsatians could have their ay in it, neither would. They would he quite glad if they could have control of their own destiny, the same as the Swiss have. This alternate imposition of alien rule in the province has left its impress on the language of the people, which is a sort of mixture of the two, but nevertheless predominantly related to German—even to-day despite fifteen years of French overlordship. The children now-a-days go to the French school and use French text-books. Then when they come home at night, as they slam the door, they shout, "Mommy ich bin hungrig, gib mir ein stück Brod".

THE PROPOSED LAW ON MARRIAGE

THERE has been so much discussion concerning the proposed revision of the laws on marriage and adultery, and related matters in the new Chinese Constitution, that we have not had time to read all of it, and if in our comments here we are going wide of the mark it is to be attributed to ignorance—as Dr. Johnson remarked to the lady when he was asked how he *could* have made such a mistake in describing the word "fetlock" in his Dictionary. There is one aspect of this law and its provisions which we presume those who are discussing the finer points about it are not losing sight of, and that is that, unless great care is taken in its application it may become an instrument for blackmail. In a country where concubinage has had the sanction of society throughout the ages, a few new laws are not going to accomplish a miracle overnight. In saying this, we can cite as a conspicuous example of the futility of a mere legal enactment which runs counter to the long established customs of the country—the failure of the prohibition movement in the United States. Despite the millions of dollars that were spent and the hundreds of persons who were shot down in the attempts to enforce it, the innovation was a flat failure. But worst of all, the attempt to enforce the prohibition law resulted in the worst corruption that the United States had ever known in all its history. Nobody has ever yet been made righteous by Act of Parliament or Congressonal action. Legislators would do well to profit by Paul's dictum that "all things are not expedient". China, and particularly her women, might profit from America's example in going slow on the marriage and adultery law.

GASOLINE IMPORTS INTO CHINA

SINCE the article on "Dumping" published last week in *The Review* was written, the Customs figures up to end of October have been published. The figures printed last week were up to the end of September. The figures then given were correct, but the relative proportions were not correctly stated in the text. We now give the figures up to the end of October for the import of gasoline into China from the three principal sources of supply, as follows:

From Netherlands India	75,503,067 litres
From U. S. A.	39,798,586 litres
From Soviet Russia	6,657,056 litres

It will therefore be seen that the import of gasoline from the Netherlands Indies is about *twelve* times (not *six* times as stated last week), and from the U.S.A. about six times, that from Soviet Russia. A litre is about a quart.

Sergei Kirov, Prominent Soviet Official, Assassinated

Sergei M. Kirov, a member of the Presidium of the Central Executive of the U.S.S.R., described as a fiery and fearless revolutionary, was found murdered in the building of the Leningrad Soviet, Moscow, Dec. 1. According to the first official announcement, the crime was committed "by a murderer sent by the enemies of the working class."

—Courtesy "The New World"

The Late Sergei M. Kirov

The assassin — later identified as Leonid Vassilievitch Nicolaev—rushed into the room where M. Kirov was sitting at his desk engaged in work and shot him with a revolver. Nicolaev was captured immediately.

Seventy-one persons have been arrested by Soviet authorities in connection with the death of Kirov—39 in Leningrad and 32 in the Moscow region. F. D. Medved (the Russian word "Medved" means "bear") chief of the Leningrad Commissariat of Internal Affairs, M. Kirov's assistant, and six other employees have been removed from their posts for failure to guard the safety of the state. They were ordered to be held for trial.

New Sino-Italian Cultural Body to Be Formed at Nanking

Preparations are being made at Nanking for the formation of a Sino-Italian Cultural Society under the patronage of a number of high Chinese officials, including Tai Chi-tao, President of the Examination Yuan; Yieh Chu-chang, Secretary-General of the Kuomintang Central Executive Committee; Dr. Chu Chia-hua, Minister of Communications, and Dr. Wang Shih-chieh, Minister of Education. Altogether, about 30 Chinese have listed themselves as promotors of the proposed organization, while a committee of six have been elected to take charge of preparations. It is expected that an endeavor will be made shortly to solicit Italian members.

Promoters of this organization note with gratification the increasingly cordial relations existing between China and Italy during recent years. According to the organizing committee, a Sino-Italian society has been in existence in Rome for the last three years.

Attempt on Prince Saionji Thwarted by Youth's Arrrest

A 17-year old youth on whose person a dagger was found was arrested Dec. 5 on the porch of the villa occupied by Prince Saionji, 85-year-old Genro. He is suspected of attempting to assassinate the aged statesman.

Italian Ambassador Due Here January 7

Signor Lojacona Viencenzo, first Italian Ambassador to China, will leave Italy for China on December 14 aboard the Italian liner *Conte Rosso*, which is due to arrive in Shanghai on January 7 next year.

Soviet Aim Is to Surpass the United States as Manufacturing and Agricultural Nation

*(From the Review's Special Correspondent)**

MOSCOW—It doesn't require a very deep perusal of Soviet literature pertaining to industrialization to realize that a chief goal of the leaders of Soviet Russia is to overtake and surpass the United States as a manufacturing and agricultural nation. References to this ambitious program appear in practically all speeches, pamphlets, technical reports and declarations of Russian engineers, particularly those who make frequent inspection trips to the United States.

V. V. Kuibyshev, president of the State Planning Commission, in a recent address pertaining to the development program in contemplation in the next few years referred to a statement attributed to Lenin that instruments of production in pre-war Russia were four times worse than England, five times worse than Germany and ten times worse than in the United States. The Soviet leaders now refer in more or less contemptuous terms to industrial development in England and Germany. It is only for industrial development, technical skill and inventive genius in the United States that they profess to have sincere respect. But that they are laying most definite plans for overtaking and surpassing America is most evident.

An Historic Russian Scene—V. I. Lenin at the Putilov Plant in 1917—(A Painting by I. I. Brodski)

In their studies of American mauufacturing methods, particularly recently, the Soviet leaders have made many interesting discoveries which have caused considerable puzzlement. For example, the Russians now have several new automobile and tractor plants in operation, but they do not seem to equal the production of similar plants in the United States. For example, a plant equipped to turn out 500 cars a day is only able to turn out from 200 to 250. G. K. Orjohikidze, commissar of heavy industry, in a recent address inquired why it was that the efficiency of an American laborer (under the capitalist system) was four times as great as that of a Russian worker. He inquired, "Why should an American worker in a Ford plant work better than our workers in their own country—under the dictatorship of the proletariat?" In answering his own question he expressed the opinion that if this question was presented squarely "in a Bolshevist manner" to the Russian laborers they immediately would become more efficient, and would work better for themselves and their country than is the case abroad, where the so-called "capitalist" system prevails.

Necessity for Speeding Up Is Stressed

Thus, almost daily, in all branches of new Soviet industry are the laborers, foremen and managers being told that they must speed up in order to overtake and surpass other countries—but particularly the manufacturers of the United States. The subject should be of interest to American manufacturers generally, but particularly to those who have participated in, or contemplate entering, the Russian market. In a recent conversation with the writer, a Soviet industrial promoter declared, "Don't send us any high-powered salesmen or commission agents—we only want to deal with engineers and technical men who can help us build our own machines."

The field engineer of an American factory which produces machines used in agriculture, road and large construction projects, who spent several months in Russia, participating in competitive tests, told the writer, prior to the engineer's recent return to the United States, that he was convinced that the Russians did not intend to

*Articles by our special correspondent in Soviet Russia were published previously as follows:—Issue of Nov. 24: "Battered Port of Vladivostok Begins to Perk Up After a Decade of Somnolence;" "Khabaravosk, a Key Position at the Mouth of the Amur." Issue of Dec. 1:—"No Let Up in Soviet Defense Measures Along Manchukuo-Siberian Border;" "Orientals a Noticeable Feature at Irkutsk;" "Jewish Settlement in Siberia Absorbs Settlers from Europe."

purchase any large quantities of his machines—that they only wanted to learn how to manufacture and operate them themselves.

Whether the Soviets under the present system which, incidentally is being fundamentally modified, will be able to overtake and surpass American industry is a question which will require at least a decade for an answer. But there is no questioning the fact that an ability to equal American accomplishments, from the standpoint of the individual American worker as well as his collective output, constitutes the present ambition of those who control the Soviet Union and direct its activities.

They are particularly fond of boasting of their accomplishments in the construction of new factories, hydro-electrical plants, metallurgical enterprises and opening of mines in a period when the United States was compelled to curtail because of the depression. But now that many of these enterprises are beginning to operate they appear to be at a loss to understand why they do not function as do similar ones in the United States—even in the period of the depression. Hence the ambition to imitate American methods.

This constitutes the chief problem of the second five-year-plan-to overtake and surpass America!

A few examples: In electricalization they promise that the Dnieper-Donbas system will have an annual output of 9 billion kilowatts, exceeding the high point of the Niagara system, which according to their figures produced 6,900,000,000 k.w. in 1930. However, they admit that total American production will be ahead of Russia. In machine-building they are not quite so ambitious, their present hoped-for high mark being only 57 percent of America's highest point in 1929. In the construction of blast furnaces of large capacity, having a capacity of 900 cubic-meters, they claim the U. S. S. R. by 1937 will surpass all other nations. In other words Russia will have 43 such furnaces, while the United States possesses only 17! They claim that as a result of development in ferrous metallurgy they will shortly reach the level of the United States, "the most advanced in the world," according to their claim. In their new zinc industry the Soviet leaders claim that their new electrolytic method of extraction by 1937 will produce 70 percent of all zinc, while in the United States only 24.4 percent is produced by this method. In the second five-year-plan they promise "to master all new methods of oil refining now applied in the United States."

In the food canning industry the new plants being constructed "are making use of the most advanced American technique."

In the coal industry, according to Soviet figures, it required the United States nine years to increase its production from 45 to 76 million tons "while Russia increased its output from 48 to 74 million tons in three years. The United States took seven years to increase pig-iron production from 12,600 tons daily to 21,000 tons; Russia did it in three years."

Soviet Cities Grow Faster Than America's

But it is in the growth of cities that the U. S. S R. is outstripping the world, if one would believe their statement. Moscow is growing three times as fast as New York and Chicago "in the years of their swiftest growth." Other Russian cities where new industrial plants are located—such as Sverdlovsk, Gorky and Stalingrad—"have completely outdistanced in the rapidity of their population increase such U. S. metropolises as Detroit and Pittsburgh." On Jan. 1, 1934 Russia claimed to have 65 cities with a population exceeding 100,000, whereas there were only 31 such cities at the end of 1926. The head of the state planning commission in concluding this phase of his report used the words, "And so it is with everything."

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Aside from the primary considerations of military defence another major objective of the Soviet leaders in their industrialization program has been to make the country independent of foreign nations from the standpoint of imports. Russia always has been, and in innumerable respects still is, the most backward of European countries. Moscow, capital of the union, from the standpoint of the ordinary convenience of life is far behind any other large European city and even the large cities of the Orient such as Tokyo, Shanghai, Hongkong or present-day Canton.

Since the gigantic problem of modernizing the country involves commercial relations with other nations it is of interest to consider the attitude of the Soviet leaders toward foreign trade. The subject is timely because of the negotiations which have been see-sawing back and forth between Moscow and Washington for many months on the debt issue. Soviet officials here insist they are more interested in the maintenance of the fundamental principles upon which their form of government was established than they are in obtaining long-term credits from American banks. They claim that such credits are not vital and that they can afford to wait, but behind the statements one senses a deep desire to obtain American loans.

Owing to long continued propaganda the opinion is universal among the Russians that the so-called capitalistic nations are trying to keep Russia backward, an appendage of more advanced countries. The fact that there may be certain inherent reasons for the backwardness of the country is not realized and obviously is not emphasized in the official propaganda. It is only in recent months that the government has relaxed somewhat and permitted the people to enjoy a few luxuries. For years the people were told they had to put up with insufficient food, clothing and inadequate housing in order that every possible resource could be devoted to the industrialization program designed to make the country independent. Even today the much advertised luxuries are only available in a few of the large cities and the recently established industrial centers. Most of the country, including the vast Siberian wilderness, is still in a primitive condition resembling the American west of three-quarters of a century ago.

Much is made of a statement by Stalin that Russia was beaten by the Mongolian khans, the Turkish beys, the Swedish barons, the Polish-Lithuanian squires, the Anglo-French capitalists and the Japanese barons because the country was backward militarily, culturally, industrially, agriculturally and governmentally. "Therefore, we must no longer be backward.... we must not only produce cotton goods, but the machines necessary for the production of cotton goods; we must not confine ourselves to the production of automobiles, but also the machines which produce automobiles: we want not only to produce shoes but also machines for making shoes..."

Any foreign trade which the Soviet leaders may engage in, either in the present or in the future, is therefore designed "for the purpose of transforming the nation from a country which imports equipment into a country which produces equipment," to quote a further Stalin declaration at the fourteenth party congress. This goes a long way toward explaining what the Russian leaders mean when they say, "Don't send us high-powered salesmen; we only want to deal with engineers and technical experts."

G. K. Orjonikidze, commissar of heavy industries, declared at the last, or 19th, party congress: "In 1930 we imported machinery to the value of 365,000,000 roubles, while the output of our plants represented a value of 3,169,000,000 roubles; in 1931 our imports amounted to 410,000,000 roubles and our plants produced the value of 4,590,000,000 roubles; in 1932 imports amounted to 340,000,000 roubles and Soviet output to 5,816,000,000; in 1933 imports amounted to 155,000,000 roubles and output to 6,297,000,000 roubles. . . . as for the present year, 1934, our imports amount to only a few million roubles, while the output of Soviet machine-building plants must be not less than 10,000,000,000..... Thus by building up our own industry, by creating our own machine-building industry we have gradually been making ourselves independent of imports..... This does not mean we want to surround ourselves by a Chinese wall, that we shall trade with no one and buy nothing abroad, but we prefer to be in a strong position when we negotiate with our partners.....As trade is a matter of gains and losses, a matter of profitableness, one can derive the full advantage of foreign trade only when one is strong and independent."

While Soviet literature dealing with the industrialization program abounds with references to the alleged victories which have been achieved in freeing the country from dependence upon imports, one also occasionally finds references to costly errors which have been made as a result of the mad drive to become independent. Most of the mistakes, however, are attributed to the so-called "wreckers" who allegedly have conspired to keep the country backward and dependent upon others. A. Greishman, who wrote a pamphlet on light industries such as cotton and woollen manufacturing and food canning, alleged that they had bought too much American long-fibre cotton when cheaper short-fibre stock would have better served the country's requirements. In another place he complained that "vast factory-palaces were built whose spaciousness and expensive ventilation system far exceeded hygienic requirements.....the ferro-concrete of which these factories were built, was of an excessively expensive kind and this added considerable to the cost of production. .....At the same time, the machinery with which they were equipped was technically obsolete, the result being an increased gap from year to year between the cotton industry's raw material basis and the capacity of the machinery with which this industry was equipped...."

Aside from these published statements one hears frequent rumors of costly blunders in constructing factories to produce materials for which there is an insufficient demand, but they naturally are impossible of confirmation.

All foreign trade in Russia is an iron-bound government monopoly concentrated in the people's commissariat of foreign trade, the director of which is A. P. Rosenholz. In a recent statement referring to imports from foreign countries Rosenholz declared, "We are fully justified in declaring that there is no machine in the world today which the U. S. S. R. is incapable of

manufacturing...The creation of our own base has made it possible to discontinue almost entirely the import of equipment for the leather, textile, building and food industries. With some exceptions we have stopped importing heavy lifting apparatus, electric furnaces and welding equipment, pumps, Diesel engines, locomotives, various kinds of electro-technical equipment, mechanics' precision instruments and scores of other machines bearing multifarious names, on the importation of which the U. S. S. R. spent millions of gold roubles during the first years of the five-year-plan. The importation of tractors and combines, on which 90,000,000 roubles were expended in 1931, has now been completely discontinued...At the beginning of the second five-year plan we completely discontinued the importation from the West of cotton (amounting in some years to 100,000,000 roubles), artificial fertilizers, tanning materials, etc. We shall not consent to any expansion of our imports unless there is a considerable modification of the financial and credit conditions on which we shall place our orders..."

J. B. P.

Russia Is Being Seen Through Colored Glasses, Says Writer

BY WILLIAM H. CHAMBERLIN

(in the Fortnightly Review)

NO large country is such an enigma to the outside world as is the Soviet Union. Nowhere is there such a wide margin between what the resident of long standing knows to be true and what the short-term visitor may be led to believe is true. Nowhere are so many major events partially or entirely concealed from foreign knowledge.

A portion of the responsibility for this ignorance of Soviet conditions certainly rests with the extraordinary and in some cases, unprecedented restrictions which are imposed on the work of foreign journalists, and with the Soviet policy of administering large doses of official propaganda to every group of tourists that visits Russia.

Regulations Worked Out

The Soviet authorities have worked out a number of definite regulations, to say nothing of various methods of indirect pressure, for the purpose of keeping the less agreeable aspects of Soviet life out of the columns of the foreign press. First of all there is the preliminary censorship of all press telegrams. Censorship in other European countries, even in those which have dictatorial regimes, is something which is imposed in periods of considerable stress and emergency—and then is usually evaded with comparative ease. The telephone is always at hand: and, if this is cut off, the correspondent can dash over the nearest border and telegraph his message from another country.

In the Soviet Union the use of the telephone for conveying press messages which have not been approved by the censor is illegal; and a journalist who left Russia to send a piece of coresponden ce which could not be sent from Moscow would, in all probability, be denied re-entrance. Mailed articles are not subject to censorship; but news developments of firsthand importance, which cannot wait for the slower mails, can be legally despatched only in the phrasing which meets the censor's approval.

Far from relaxing, Soviet censorship has become intensified in severity during the last few years. A newly-arrived correspondent in Moscow is sometimes unctuously assured that the sole purpose of the censorship is to "prevent inaccuracies." This, of course, is preposterous rubbish. The sole concern of the Soviet press censor, as of any press censor, is expediency. He is interested not in the truth of the reported facts, but in their probable effect on the public opinion of the country to which the message is sent.

News Censored

Now during the last few years the number of things which the Soviet authorities, quite understandably, desired to conceal from the attention of the outside world very considerably increased. Since 1929 executions, recorded and secret, became much more numerous; a new system of mass employment of forced labor in timber camps and construction enterprises grew up; the persecution of religion became much more severe; the country, in the winter of 1932-1933 and the spring of 1933, experienced a major famine. In the light of these facts the censorship could not but become stricter; and journalists who wished to get their messages past the censor were obliged to resort to cryptic and ambiguous phrases, understandable to the few initiated readers who understood the realities of Soviet life and administration, but incomprehensible, one fears, to the majority of newspaper readers. Such ugly words as "famine" and "forced labor" were barred; one could speak of "acute food shortage'" "diseases attributable to malnutrition," "the work of prisoners."

Although the officials of the Soviet Commissariat for Foreign Affairs who administer the censorship are above the Soviet bureaucratic average in tact and intelligence, they are themselves closely limited in their decisions, and must often refer border-line and debatable messages to mysterious individuals and organizations "higher up." Their task is far from an enviable one; their career may be ruined if they pass a message which subsequently impresses a high Soviet or Communist official as unduly outspoken.

The Soviet brand of censorship, like all others, not infrequently makes itself ridiculous, as when it lays an interdict on the mention of an incident of diplomatic negotiations which is already well-known abroad, or forbids a correspondent to send the startling news that a Soviet express train was stalled in the desert for a few hours, or refuses to permit the foreign correspondents to report the departure of Foreign Commissar Litvinov to America (Litvinov's going was attended by the most ludicruous atmosphere of schoolboy mystery). More serious, from the standpoint of conveying to the outside world a genuine view of Russian conditions. are the well-nigh complete suppression of the news of the famine, the concealment of many secret executions and of almost all cases of administrative banishment, and the inevitable emasculation of style of the correspondent who is always obliged to take the probable reaction of the censor into consideration when he is writing his telegrams.

The scope of Soviet control over the information about Russia which is permitted to reach the outside world was considerably extended in the spring of 1933 when a new rule came into effect, under which no correspondent could leave Moscow without submitting a precise itinerary of his route and obtaining the permission of the authorities. The obvious intenion of this drastic restriction (which has no precedent in any other European country) was to prevent any first-hand description of the famine. The prohibition came into effect in early spring; the first permits to travel in the country districts were issued in September, when the new harvest was gathered in and the raw visible traces of the famine had been removed.

An official explanation of the prohibition of travel was that the presence of foreign correspondents would obstruct the reaping of the harvest. What was even more amusing than this suggestion that a few itinerant correspondents might seriously affect the fate of harvesting operations over almost one-sixth of the surface of the globe was that some foreigners were naive enough to take it seriously.

I found conclusive evidence of the real reason for the stoppage of free travel by foreign correspondents when I received an individual permission to travel in Ukraina and the North Caucasus in September 1933. I visited there regions which were separated from each other by hundreds of miles—Kropotkin, in the North Caucasus, and Poltava and Byelaya Tserkov, in Ukraina. I also talked with peasants at railway stations from the south-east corner of Ukraina, in the Donetz Basin, to the north-Western part, in Chernigov Province. On the basis of figures which were supplied, not by peasants, who were often prone to exaggerate the numbers who had died, but of local Soviet officials and collective farm presidents, whose interest would rather have been to minimize the catastrophe which had taken place, I have no hesitation in saying that the southern and south-eastern provinces of European Russia during the first six months of 1933 experienced a major famine, with an average mortality rate of about 10 per cent.

Roseate Picture of Recovery Program Progress in U.S.A.

A roseate picture of the progress made during recent weeks in the recovery program was painted Dec. 1 by *Banking*, the official monthly publication of the American Bankers Association.

Nine Billion Dollars to Be Spent in Relief

A new economic recovery plan providing for an expenditure of the enormous sum of U.S.$9,000,000,000 has been announced in Washington Dec. 1 by Harry Hopkins, Administrator of the Federal Emergency Relief. Mr. Hopkins proposes, in substance, the creation of a new committee of public works, at whose disposal the demanded sum should be placed for the purpose of launching public works on a gigantic scale that would direct relief to unemployed.

U.S. Spends Increasing Sums for Emergency Purposes

Nearly two-thirds of the U.S. Government's expenditures during the month of November were for emergency purposes. Expenditures during November exceeded receipts by U.S.$392,000,000.

"It's beginning to look as if this country now is composed of two classes: Those who are securing relief from the Government, and those who are raising hell about it."—*New Orleans State.*

U. S. Supreme Court Upholds State Laws For Military Study

State laws providing for compulsory military training of university students were upheld in a decision by the United States Supreme Court Dec. 3.

20,400 KILLED IN U.S.A. IN TRAFFIC ACCIDENTS IN FIRST TEN MONTHS OF 1934

The number of deaths caused by motor-car accidents in the United States in 1934 increased by sixteen per cent in comparison with 1933, according to statistical data issued by travellers' insurance companies of Hartford. The member of such deaths in 1934 is given at 20,400 for the first ten months, and it is believed that the total for the year will reach 37,000 the highest figure ever recorded in the country.

Soviet Rulers, Feeling Their Power Secure, Virtually Abandon Communism; Kirov Assassinated

BY "PROLETARIAN"

A vitally important decision, virtually abandoning all pretense of a communistic system in the Soviet Union, was made by the Central Committee of the Communist Party, the supreme organ of the Stalin dictatorship, in a session sitting from November 25 to 28. The decision was to abolish the system of rationing bread, flour, and other cereals, and to have these basic food necessities for open sale without limitation as to quantity. Henceforth anyone in Russia with sufficient money can be well fed; anyone without it, so far as one can see, so far, will be left to starve.

The resolution adopted, as wired out here by the official Soviet news agency (*Tass*), states that "the food card system had been necessary at the time of its introduction," early in the Five Year Plan, but "at present, when large-scale mechanized farming has been consolidated, and when State and collective farms have occupied the predominant position, the situation has radically changed. The state now disposes of sufficient amount of grain completely to insure the supply of it to the population by means of free sale of bread without the system of rations."

Accordingly, "the plenary session considers it necessary to abolish as from January 1, 1935, the rationing system for bread, flour, and cereals, and to organize universal free sale of bread and other products to the population through State and co-operative shops;" and "to cancel all existing retail prices for bread, flour, and cereals, and introduce unified retail State prices for these goods." This is to apply even in agricultural districts, where there has been a rationed supply of bread to the producers of agricultural raw materials which are taken by the State, and where now the sale of baked bread is to be organized. The food producers turn over their product to the State, partly as tribute and partly at prices fixed by the State. What they need as food or as animal fodder they will have to buy back, also at prices fixed by the State, which as merchant monopolist stands to profit immensely.

Modern Luxuries for Government Officials

This is a move of the greatest significance. The abandonment of Military Communism and the adoption of the New Economic Policy in Russia thirteen years ago was frankly a retreat, urged by economic necessity. The circumstances today, however, are exactly the opposite. The Soviet State has gone through a period of economic development which has created terrible hardships for its workers and peasants. Perhaps five million peasants starved to death in the famine two years ago—which the Government made use of to completely crush the peasantry. In the cities also there was terrible shortage, with the workers on the scantiest of rations; but the Government was shipping great quantities of grain abroad in order to obtain machinery for its new plants, which would both give it a complete strangle-hold on the economic life of the country and produce motor-cars and other modern luxuries for Government officials. In return for the terrible sacrifices made by the workers, they were assured daily and hourly that they were building socialism—building communism—in the Soviet Union.

With the peasantry crushed into submission, the food supply has reached normal dimensions again. The decimation of the agricultural population by the famine in 1932-33 leaves an even bigger food surplus. Owing to the world crisis, and the fact that England and some other countries are obtaining their grain elsewhere to a considerable extent, the Soviet Government cannot ship the surplus abroad, and must dispose of it at home. There is now a sufficiency of food for everyone in the Soviet Union to fill their stomachs after the terrible sacrifices of the Five-Year Plan. Drastic price reduction, or complete communization of the bread supply, is now eminently practicable.

Price Increased for Poor, Decreased for Others

This, however, is not the intention of the Soviet Government. The decision now reached, to replace the rationing system by one of open sale, is to be accompanied by an *increase* in prices. The rationing system, it should be noted, did not supply bread free, but at a low price. Now this "too low price for rationed sale" is to be *raised.*

Under the present system not all bread is rationed. A certain amount has been kept for general sale, at high prices, to those who can afford to buy it. The new price, according to the decision, "must approximately form the average between the existing high prices for general sales and the too low price for rationed sale." The poor, therefore, will have to pay more for their bread. The better-off will be able to obtain it more cheaply.

There is to be at the same time an increase of "all wages, salaries, scholarships, and pensions, ... the Council of People's Commissars to determine the amount of this raise." Any such increases will redound mainly to the benefit of those who are already better paid, this being clear from recent tendencies, and from Stalin's emphatic denunciations of economic equality, which the dictator terms "reactionary, petty-bourgeois nonsense, worthy of some primitive sect of ascetics." The poorer workers, in town and country, will find themselves even worse off than before, with food further beyond their reach than it has been even during the terrible scarcity of recent years. There is now no food scarcity in the Soviet Union—except for the poor.

While the Soviet Government is definitely abandoning communism and consolidating a system of complete State capitalism in which the Government is sole owner, manufacturer, landlord, employer, merchant, and profiteer, the Western world is developing in exactly the opposite direction. The so-called "capitalist" governments of the West are increasingly communizing the food supply, with free distribution to those who have no money to buy. In America the unemployed can obtain free food, lodging, medical service, playground, library, educational and other facilities without charge, supplied communistically by a Government known in the Bolshevik catechism as the "stronghold of capitalism." Well-fed Bolsheviks declare that such facilities for unemployed workers lead to certain physical and psychological degeneration. Medical men, however, tend to regard starvation as even worse. Soviet workers, if they dared to speak, would probably agree with the medical men.

Communist Party Leader Assassinated

The secretary and leader of the Central Committee of the Communist Party was assassinated on December 1. Kirov was a right-hand man of Stalin, a member of the all-powerful Political Bureau since 1930, and in 1934 also given the high post of Secretary of the Central Committee of the Communist Party of the Soviet Union, as well as member of the Presidium of the Central Executive Committee of the Soviet Union, and secretary of the Leningrad city and regional committees of the Communist Party.

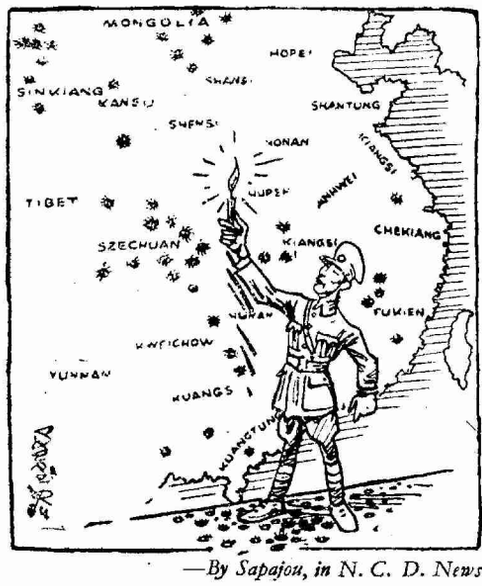
Kirov was assassinated by a former member of the Worker Peasant Inspectorate, a body made up mainly of earnest communists without personal ambitions, which in times gone by had great powers of inspection and supervision over all Government bodies, on behalf of the workers and peasants. His name is Leonid Vassilievitch Nikolayev.

General Chiang Resolved to Uproot Communism in China; Canton-Nanking Rapprochement Near

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Chiang and Wang Issue Joint Message on Political Reforms**
2. **Relations Between Canton and Nanking Improving**
3. **Fukien Entirely Cleared of Red Traces**
4. **Kwangsi and Hunan Report Successes Over Communists**
5. **Important Political Changes in North China Impending**
6. **Japanese Activities in the North and the South**
7. **High Officials Converge on Nanking as C. E. C. Session Draws Near**
8. **China's Huge Unfavorable Trade Balance: $430,000,000**

Vigorous methods of suppression will be adopted in all of the provinces in China where armed forces are opposed to law and order. The National Army will continue to work until the baneful influence of Communism is completely banished from the country and abiding tranquility pervades the land. This statement was made Nov. 29 by General Chiang Kai-shek in an interview with newspaper correspondents regarding the Communist situation in China. The Generalissimo dwelt largely on the evils of the Red regime, especially in Kiangsi province. General Chiang declared that as a result of the Government's vigorous campaign against the Communists and its programme of recovery and reconstruction, the people in the communist-stricken provinces were beginning to hope to a new era of peace and security.



—*By Sapajou, in N. C. D. News*

Speaking on the question of bandit suppression in Kiangsi, the Generalissimo declared:

"Communist-bandits have been harassing the province of Kiangsi and neighbouring territories for the last six or seven years. At one time, out of the 81 hsien (counties) in Kiangsi, at least two-thirds were entirely under bandit oppression. Only 26 hsien have not been overrun by these outlaws.

"It is appalling to record that some 6,000,000 people have been rendered homeless and driven into exile and suffering, while 1,000,000 innocent victims have been slaughtered in cold blood by these ruthless raiders.

"In addition, a large proportion of the population of Kiangsi province are suffering from continued malnutrition and have been reduced to almost unbelieveable living conditions as a result of the Communist regime.

"Words were totally inadequate to convey to outsiders what our people have suffered. They have not merely been deprived of the bare necessities of life, but in desperation many of them have joined these fanatics and become brutalized.

"Out of this welter of bloodshed and social turmoil has emerged a vigorous New Life movement which is permeating the life of the nation. Officials are putting into practice the spirit of service and feel a moral obligation to better the lot of the people.

"If the officials and people of Kiangsi continue to cooperate in creating a new Kiangsi, who can fortell its portent?

"Personally, I am convinced that the fate of a nation lies entirely in the hands of its people. If every Chinese citizen can from now on be motivated by a true sense of patriotism and can be inspired to pay the price of working ceaselessly toward one goal, out of these years of poignant suffering will emerge a strong and united China.

"People everywhere are asking: How far is the Government prepared to go in the suppression of the Communist-bandits prevalent in other provinces? The answer is this—vigorous methods of suppression will be adopted in all of the provinces where armed forces are opposed to law. The National Army will continue its work until the baneful influence of communism is completely banished from China and abiding tranquility pervades the land."

President Wang and General Chiang Issue Joint Message on Political Reforms

An important proposal for a clearer demarcation of powers between the Central and the Local Governments has been drawn up by President Wang Ching-wei and General Chiang Kai-shek for submission to the 5th Plenary Session of the C. E. C. which is scheduled to be held on December 10. The proposal, embodying five practical measures, was made public in a joint circular telegram issued by President Wang and General Chiang November 27. The measures are:

1. Reforms in legislation
2. Appointment of public functionaries on the basis of personal comtetence and security of their tenure of office.
3. Reforms in local civil administration and economics.
4. Clear demarcation of Central and Local Finances
5. Clear distinction between the national defence forces and the local military and police units, the former should be regarded as the regular army of the country and placed under the control of the Central Government. As regards the latter, their system of organization and their numbers should be decided upon and approved by the Central authorities, while their training and mobilization be placed in the hands of the local authorities.

Compulsory Labor Ordered by General Chiang Kai-shek

In order to expedite the work of national reconstruction, compulsory labour in the service of the State is ordered by General Chiang Kai-shek. In a circular telegram to the civil authorities of sixteen provinces—Kiangsu, Chekiang, Fukien, Kiangsi, Hunan, Hupeh, Anhwei, Honan, Shensi, Kansu, Hopei, Shansi, Shantung, Charhar, Suiyuan and Ninghsia—General Chiang instructs that plans be drawn up immediately for the utilization of compulsory labour in such projects as water conservancy, land reclamation, afforestation, and highway construction. These plans are to be submitted within two months to the Provisional Headquarters of the President of the Military Affairs Commission at Nanchang, provincial capital of Kiangsi, for approval.

Fukien Entirely Cleared of Red Traces

Ninghua, the only remaining "Red" stronghold in western Fukien, has been captured by units of the 52nd Government Division. Of the 600 remnant "Reds" in the city of Ninghua, 200 were slain by the Government troops, while the rest were forced to flee to Changsha, north of the city. The recapture of Ninghua ends the Government campaign against the "Reds" in the two provinces of Kiangsi and Fukien. The main function of the Government troops hereafter will be to round up the scattered outlaws hiding in the mountainous regions.

Koyuan, a "Red" base in northeastern Kiangsi, has been captured by the 21st Government Division. Situated near

the districts of Hengfeng, Tehing, Shangjao and Yushan, Koyuan had been the base of operations of the 10th "Red" Army under Feng Chih-min. Units of the 21st Division first routed the 83rd and 87th "Red" regiments and the "Red" independent battalion. The strong defence works of the marauders at Koyuan were finally demolished by the Government regiment under Colonel Lu Hsiang-yun.

12 Pacification Districts in Kiangsi-Fukien

The territory recently recovered from the Communists in Kiangsi and Fukien provinces will be divided into 12 districts for pacification work, it was announced in Nanchang November 29. Each district will have one military commander in charge. General Ku Chu-tung, pacification commissioner of Kiangsi province, has established his new headquarters at Kian.

The Central Goverenment has appropriated an additional $280,000 for relief work in the former communist-area in Kiangsi province. The funds are being distributed by the National Economic Council agricultural co-operative societies.

The invasion of Fenshui district, western Chekiang, by the remnant "Reds" under Fang Chih-min was repulsed by the Chekiang peace preservation units during the week-end. The defeeated outlaws attempted to flee to the Anhwei border via Changhua.

Hunan and Kwangsi Report Successes over Communists

The main forces of the remnant "Reds" from Kiangsi have crossed the Siang River near Chuanchow, northeastern Kwangsi, in their flight towards Hsiyen, near the Kwangsi-Hunan border. Their objective is to escape to eastern Kweichow via south-western Hunan. The units of the 1st Route Army under General Liu Chien-hsu of the Government Pursuit Forces have captured 3,000 marauders at Hsienshui along the Kwangsi-Hunan border. These have been escorted back to Chuanchow and disbanded. Government airplanes killed 500 bandits at Hsinglungtsun near Chuanchow on the 2nd.

The Hunan troops under the command of General Liu Chien-hsu encounted a large Red force estimated over 20,000 strong on November 30, near Chuanchow and Paishapu, southwestern Hunan, and fought against them the whole afternoon and night, finally succeeding in defeating the outlaws. Nearly half of the Reds was killed or wounded, while the rest made good their escape westward Kweichow, leaving behind a large quantity of ammunition, including 6,000 rifles and over 40 machine guns.

A batch of from 2,000 to 3,000 outlaws has secretly crossed the Tayungkiang (River) between Chuanchow and Hingan, north-eastern Kwangsi, in their flight northwestwards toward Siyen and Saupanchiao, near the Kwangsi-Hunan border. Their main forces, however, are still at Wentsun, Yungankwan and Chiangtsun, along the border. An attack has been launched by the Kwangsi troops on the marauders from Kwanyang. Government airplanes also raided the "Reds" at Siliu. A part of the bandits has been resisting the Government units west of Taohsien, southern Hunan, in order to cover the retreat.

Government troops under General Liu Chien-sui surrounded some 20,000 Reds on November 30 near Chuanchow and Paishapu Hunan and after an all-night encounter succeeded in defeating the outlaws. More than 10,000 communists were killed during the encounter the others retreating westward. Six thousand rifles and 40 machine-guns were seized.

The remnant "Red" outlaws in the Tao Taohsien-Linwu-Lanshan sector, southern Hunan, have beeen completely routed by the troops of the 3rd and 4th Route Armies of the Pursuit Forces. The Hunan troops have established contact with the 3rd Independent Kwangtung Division and are taking concerted action against the outlaws. Taohsien city has been recovered by the 4th Route Army under General Li Yun-chieh. The units under General Liu Chien-hsu, Commander of the 1st Route Army, are assisting the Kwangsi troops under Generals Li Tsung-jen and Pai Chung-hsi in checking the flight of the "Reds" at Chwanchow and Kuanyang, north-eastern Kwangsi.

Sanguinary fighting lasting ten hours occurred November 30 between the various Government divisions in Hunan and the 1st, 3rd and 5th "Red" army corps at the Chioshan-Chulanpu-Paishapu line along the Hunan-Kwangsi border. The whole line of the bandit forces was completely routed by the Government troops who succeeded in capturing 4,000 rifles and 40 machine guns. Casualties among the marauders mounted to 10,000. The defeated brigands escaped towards Siyen, northern Kwangsi. To check the flight westwards of the "Reds" and to prevent them from entering Kweichow, General Wang Chia-lieh, Chairman of Kweichow, has telegraphed General Yu Kuo-tsai, Field-Commander of the Kweichow Bandit-suppression Forces, to despatch troops to Liping and Yungsung, south-eastern Kweichow, General Wang himself will lead his forces to Szepin and Chinyuan, eastern Kweichow, to assist in the subjugation of the "Reds."

The Kwangtung and Kwangsi troops are cooperating with each other along the Kwangsi-Hunan border in rounding up the remnant "Reds" from Kiangsi. The 3rd and 2nd Kwangtung Divisions recovered Kianghwa, southern Hunan, and Fuchwan, north-eastern Kwangsi, November 26. After effecting junction with the 45th (Kwangsi) Division, they jointly recaptured the city of Yungming, southern Hunan. The "Red" attacks on Kucheng, Kuanyang, Chwanchow, Lunghukwan, Yungankwan and Tsingshuikwan along the Kwangsi-Hunan border have been successfully repulsed by the Kwangsi forces.

General Pai Tsung-hsi, Deputy Commander of the Kwangsi Provincial Forces, in a telegram to the Canton Authorities gives a graphic report on thee successes of the Kwangsi troops over the invading Communists from Hunan. According to the report, on December 29, units of the Kwangsi 5th Division recovered the Hsinshu district on the border and routed the main force of the Third "Red" Army Corps, capturing over 600 prisoners, 800 rifles and over 20 machine guns.

Yeh Chien-yin, Chief-of-Staff of the "Red" forces and concurrently Principal of the "Red" Military Academy, has sued for surrender with his 5,000 followers who are equipped with 4,000 rifles, according to a Canton report from the front in Hunan.

Canton—Nanking Rapprochement Near

Playing the role of mediators and making a further effort to bring about a rapprochement between Nanking and Canton, Sun Fo, President of the Legislative Yuan, and Dr. Wang Chung-hui, Judge of the Permanent Court of International Justice at The Hague, arrived in Hongkong at 7 p.m. November 3 aboard the French liner Athos. Upon their arrival in the Colony the peace emissaries were met by representatives of Hu Han-min and the South-West Political Council. Teng Ching-yang, a member of the Council and a member of the Central Executive Committee of the Kuomintang, was among the party to greet the Nanking leaders. It is officially admitted in Canton that the visit of Mr. Sun and Dr. Wang is connected with efforts to effect an understanding between Canton and Nanking. Official circles, however, decline to disclose or discuss the terms Nanking is proposing.

The news that peace negotiations will soon be in progress again is greatly welcomed in Canton. With the approach of the Fifth Plenary Session of the C.E.C., which is scheduled to be held in Nanking on December 10, and which is to discuss the important question of convening the Fifth National Congress of the Kuomintang, things will have to move swiftly. It is fully realized that the present endeavour of Mr. Sun Fo and Dr. Wang to bring Nanking and Canton closer together is of the greatest importance.

The emissaries are optimistic over the prospects for an ultimate peaceful settlement and it is generally hoped in the South that their negotiations with Hu Han-min will result in arrangements enabling them to proceed to Canton to put a finishing touch to the reunion plain. The fact that the South-West Political Council dispatched delegates to Hongkong to accord an official welcome to the Nanking envoys, indicates that the South-West bloc is desirous of giving consideration to Nanking's overtures. The military leaders in Canton are conciliatory, and if Hu Han-min should see his way to accepting Nanking's terms, the continued opposition of the "Irreconcilables" is not likely to prove stubborn or effective.

To meet the public demand the South-Western Aviation Corporation started to operate an additional air-mail and passenger service on the Canton-Lungchow (Kwangsi) and the Canton-Hainan Airways from December 1. In order that aerial communications with Kweichow province may be inaugurated earlier, another test flight will be conducted on the projected-Nanning (Kwangsi)-Kweiyang (Kweichow) airway this month.

The explosion of the boiler in a steam launch running between Shaoching and Canton November 28 caused the life of 22 persons and injury to more than 30 others. The launch was heavily loaded and was on its way upcountry when the tragedy occurred near Kanchu.

Under the auspices of the Ministry of Communications and the Kwangtung Provincial Authorities, a long-distance telephone service will be operated between Canton and Shanghai. Teng Chung-vao, Director of the Kwangtung Provincial Telephone Bureau, has left for Nanking to confer with Dr. Chu Chia-hua, Minister of Communications, regarding the arrangements.

Huang Fu Leaving Peiping Post For Interior Ministry

General Huang Fu, chairman of the Peiping Political Affairs Readjustment Commission and prominent figure in the the Sino-Japanese negotiations in North China, will be relieved of his post to become Minister of Interior, according to a report in the *Shanghai Evening Post* December 5.

General Huang Shao-hsiung, the present Minister of Interior, has resigned his post of fill the vacancy caused by General Lu Ti-pin's resignation as chairman of the Chekiang Provincial Government.

Successor to the important post in Peiping is not announced although Yang Yung-tai, secretary-general to General Chiang Kai-shek, is being prominently mentioned.

The reshuffles in the important posts in Nanking, Peiping and Chekiang were being approved at the Central Political Council in the morning of December 5 and official announcements to this effect was expected to be made immediately.

Hopei Capital to be Removed to Paoting

The Executive Yuan on December 4. decided to shift the capital of Hopei from Tientsin to Paoting, approximately ninety miles westsouth-west of the North China port. Paoting, on the Peiping-Hankow Railway, lies roughly 85 miles south-west of Peiping.

New Hopei Commissioners Assume Office

The members of the reorganized Hopei Provincial Government Committee were formally sworn in office December 2. The cath was administered by Ho Chi-kung, Chief Secretary of the Peiping Political Affairs Readjustment Committee, on behalf of the National Government. In his speech of admonition, Mr. Ho expressed the hope that the new members of the Hopei Provincial Government will be equal to their important duties and improve the system of civil administration in the interests of the province. Replying on behalf of the members, General Yu Hsueh-chung, said that they would, to the best of their ability, carry out their duties and fulfil the expectations of the Government and the people.

Feng Yu-lan, professor of Tsinghua University, was arrested at Peiping November 28, on charges of complicity in Communist activities. He was taken to Paotingfu at noon, together with ten other Communist suspects, for trial. He was however released on the following day.

Hsiao Chih-wu, a professor at the National Normal University, was arrested by the Peiping military authorities December 2 on the charge of participating in Communist activities. Mr. Hsiao is being detained at the local Garrison Headquarters.

Shen Kuo-kwang, Principal of the 1st Peiping Municipal Middle School, has also been arrested at Peiping. In a petition to the Central authorities, the Peiping City Party Headquarters charges him with complicity in Communist activities and recommends that he be permanently expelled from the Kuomintang.

The father of General Yen Hsi-shan, Pacification Commissioner of Shansi, is reported to be seriously ill.

Martial law has been declared in the five Kailan mines at Tangshan to frustrate any attempt of the workers to create disturbances under the instigation of Chao Ta-chung, notorious labour agitator. As a result of a series of raids conducted by the local police on the Communist "cells," two Communists have been arrested and sent under heavy escort to the Peiping Metropolitan Police Headquarters.

500 Mongolian Ponies Shipped to Hankow

Five hundred crack Mongolian ponies, purchased by the Hunan provincial army, arrived in Peiping November 26 from Suiyuan and Chahar. They left by special freight train the following day for Hankow. Another 500 ponies are now being selected in Mongolia and will also be sent to Hankow soon.

Organization of a Mongolian Industrial Corporation is being planned by the Mongolian Political Affairs Council, according to a report from Pailingmiao. According to present plans, the Corporation will be established at Kalgan and will engage in the beef and mutton industry as well as in wool. The raw materials will be obtained from the Silingol and Ordos (Yeghe Jo) League. A sum of $1 million has already been raised for the purpose.

A consignment of smuggled goods, consisting of 24 sacks (720 tins) of cigarettes and 31 bales of artificial silk (rayon) valued at $20,000, was seized by the Customs Authorities in a special armoured railway car when it was stopped by the police at the Tangku Station. The driver and two other persons on the car were arrested and taken to Tientsin for trial.

The smuggling of four motor-cars, worth $20,000, has been discovered at the Customs station at Mengchiassu along the Shih Ho (River). These have been confiscated by the Customs authorities.

Smokeless Coal Discovered in Tangshan

A large deposit of "smokeless coal" is reported to have been discovered in the Tangshan mining district. Experts have studied the district around Chuntszechen and have found a rich deposit of this smokeless coal, which is said to be able to supply work for miners for the next 30 or 40 years. This new coal is said to be far superior in quality to the coal now being mined by the Kailan Mining Administration in the Tangshan district.

Large copper and coal deposits in the Lantien district south of Changan Shensi, have been discovered. Experts have been sent out by the Shensi Provincial Government to make an investigation there.

Six omnibuses on the Sinkiang-Suiyuan Highway arrived at Kweihua December 3 from Kanchow, north-western Kansu. Besides a large consignment of fur, wool and other skins, there were 14 passengers, including Yang Hsing-chung of the Eurasia Aviation Corporation. The next west-bound trip will be made from Kweihua on the 10th inst.

20 Die of Cold in Luantung District

More than 20 persons had died as a result of the cold wave which has been sweeping the northern section of the Luantung district as well as over a wide area along the Great Wall.

Chinese Volunteer Leader Killed by Japanese

According to a message received at Tientsin from Mukden, General Wang Tien-yang, a Chinese volunteer leader, who succeeded the late General Teng Tien-mei in carrying on the Anti-Japanese activities in Manchuria, was recently captured by the Japanese troops at Shihtungsaze in eastern Liaoning and shot to death at Mukden. General Wang had been very active during the past several months prior to his capture and was responsible for causing considerable losses of life and property to the Japanese by his raiding activities. Recently, while dinning at a village not far from Tunghua, he was surprised by his Japanese pursuers and finally arrested after putting up a valiant but vain resistence.

Shibiyama Seeks Instructions From Changchun on Malanyu Rendition

Col. Shibiyama, military attache of the Japanese Legation, accompanied by the head of the Japanese Intelligence Office at Shanhaikwan, left Peiping for Changchun December 1 by train to seek instructions from the Kuantung Army Headquarters regarding the question of rendition of Malanyu (a Pass in the Great Wall region) to the Chinese Authorities and the dispatch of the Chinese Peace Preservation Corps to the Luantung District.

Conflagration at Mukden

According to a message received at Tientsin November 30, a great fire occurred at Mukden the previous night. The

residence of the notorious bandit leader, Li Chi-chung, who recently created considerable disturbances in the Luantung District, has been completedly destroyed and the loss is estimated over $50,000. The houses of several other Chinese traitors in Mukden have also been seriously demaged, the message states.

Six Japanese Warships in Amoy

Six Japanese warships arrived at Amoy November 29. Japanese reports state that these warships will take up garrison duties along the South China coast.

High Officials Converge on Nanking as C.E.C. Session Draws Near

General Chang Hsueh-liang, Vice-Commander-in-Chief of the Bandit-suppression Forces for the provinces of Honan Hupeh and Anhwei, who arrived at Nanking from Hankow December 1 announced that his mission to the Capital is to attend the 5th Plenary Session of the Central Executive Committee, to be held on the 10th inst., and to report to and receive instructions from General Chiang on the bandit-suppression activities. Referring to the bandit situation in the three provinces he stated that the remnant "Red" outlaws belong to the socalled 25th and 28th "Red" armies. As a result of the cordinated movements of the Government troops, the 28th "Red" army has been completely annihilated while the main forces of the 25th "Red" army have likewise been crushed. Only 1,000 remnant outlaws manager to escape to Nanchao, western Honan, and they are now being encircled by the Government troops in western Honan.

Dr. Kung Says No Szechuan Loan Will Be Issued

Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, in an interview with the press at Shanghai December 1, declared that definite and practical measures had been devised by the Central Government for the adjustment of the finances in Szechuan as a result of the several conferences between General Liu Hsiang, Rehabilitation Commissioner of Szechuan, and the Government leaders at the Capital. Dr. Kung stated that Szechuan being an integral part of China, it was incumbent upon the Central Government to assist in its finances, but while any other measures might be restored to, the Government had definitely decided not to adopt the means of issuing public loans. Referring to the financial situation in Shanghai, Dr. Kung said that the position of the Chinese banks was quite sound. Despite thee recent large shipments of the white metal abroad by the foreign financial operators, he said, more than $300,000,000 cash silver was now remaining in Shanghai, over 80 per cent of which are being held by the Chinese banks.

An appeal for support of the work of preservation of ancient relics, in view of their profound cultural value, was made by President Wang Ching-wei and General Chiang Kai-shek in a joint circular telegram on December 6.

China's Unfavorable Trade Balance Amounts to $430,000,000

According to Customs statistics made public Nov. 28, China's foreign trade for the past ten months shows an unfavourable balance of $432,179. Imports are valued at $874,114,029, while exports are only $441,865,850, showing decrease of $283,809,861 and $65,088,839 respectively as as compared with $1,157,923,890 and $506,954,689 for the corresponding period of last year. The excess of imports over exports in the port of Shanghai alone is more than $280,000,000, occupying two-thirds of the total amount. The imports for the month of October this year are $78,-999,931, while exports for the same period are $42,660,034, showing a decrease of $15,621,866 and $5,288,622 respectively as compared with the corresponding period of last year, but showing an increase of $1,517,615 and $970,802 respectively as compared with the month of September this year. The excess of imports over exports for October this year is $36,339,897.

During the first ten months of this year, foreign rice imported into China was valued at over $56,406,390, according to information from the Customs Administration. Owing to the drought in Central China last summer the amount of imported foreign rice increased considerably during August, September and October. Siam leads the list of exporters of rice, with Annam second, India third and Japan fourth.

The request of the Chinese Chambers of Commerce in Holland and India that the Central Bank of China establish branches in those places, has not been accepted by the bank authorities. In a reply to these chambers of commerce, the bank officials state that the bank is at present not in a position to branch out to foreign countries.

To promote the woollen industry in the Capital, the Nanking Municipal Government has arranged with the Methodist University of Nanking for the opening of a class for technical training in woollen manufacture, in view of the excellent results of the experiments made by the University in this direction. According to the agreement signed by the Municipal and the school authorities, funds will be appropriated by the Municipal Government towards the purchase of machinery and the erection of a plant to be built under the direction and management of the University.

New Irrigation Pump Invented By Chinese

A new irrigation pump has just been completed by one Chiang Tso-hsin. A public demonstration will be held in the Wuchow Park in Nanking when the pump will be tested.

Seven thousand mow of land have been purchased in Hsuanning district, Anhui province, and will be devoted to the exclusive use of unemployed overseas Chinese who have been forced to return to China owing to business depression and other circumstances. The committee in charge of this Overseas Village planning will select 200 overseas Chinese to start the work on this territory next month.

Work on the construction of an embankment along the Yangtsze River at Hsiakwan was started November 26 under the direction of the Nanking Municipal Government. This is the first step towards the development of Hsiakwan as the "First Industrial and Commercial Area" of the Capital. The cost is estimated at over $72,000, and the work is to be completed in April next.

Laying of rails on the western extension of the Lung-Hai Railway between Tungkwan and Sian, in eastern Shensi, has proceeded as far as Chanchiao, about 7 miles west of Sian, provincial capital of Shansi. The entire line will be completed by the end of this month and inaugurated on January 1.

Omnibus service on the southern extension of the Siangyang-Hushsien Highway between Shasi, Kungan and Tungyumiao, in the district of Lihsien, along the Hupeh-Hunan border, is now in full operation. The route starts from Siangyang, in the north, to Huahsien, in the northeastern part of the province, and then runs in a southwesterly direction to Tungyumiao via Shasi.

Omnibas service on the Tsungjen-Fengcheng, Hsintsu-Tean and Patu-Chihchi Highways, in southern Kiangsi, is now in operation under the direction of the Kiangsi Provincial Highway Bureau.

Survey work on the highway between Sinan and Ningtu, in southeastern Kiangsi, has been completed, and will be extended in the near future from Ningtu to Juikin, farther.

Hu Han-min Critical of Nanking's Policies

Writing under the heading of "Some Aspects of China's National Crisis," Hu Han-min, veteran Kuomintang leader and retired President of the Legislative Yuan in Hongkong, says that China has many perplexing problems confronting her, two of which demand urgent attention: one is Japan's forcible occupation of the Four Northeastern Provinces and her encroachment on North China; and the other is the Communist menace which is virulently disrupting the Southwestern provinces. To all who are concerned with China's future, these disintegrating forces cannot but arouse the greatest apprehension.

Throughout the article, Mr. Hu is highly critical of General Chiang Kai-shek and Presidcent Wang Ching-wei. Referring to the Communist situation in Szechuan, Mr. Hu, at the end of his article, says "Only if General Chiang Kai-shek moves his vast concentration of troops in Kiangsi and Fukien into Szechuan can we check the further spread of Communism in China, etc."

Dr. C. Walter Young Gives His Impressions on South China

Dr. C. Walter Young, Senior Research Associate of the Institute of Current World Affairs, New York, who returned to Peiping some while ago after spending some weeks in Canton and the Philippine Islands, was interviewed by a representative of *The Peiping Chronicle*. When asked what progress had recently been made toward effecting a rapprochement between Nanking and those groups in the Southwest which for one reason or another have been especially critical of the National Government authorities and their policies, Dr. Young summarized his observations as follows :

"A great deal of genuine progress has been made, most noticeably during the last three months, toward healing the breach between the Southwest and Nanking and thus providing the basis for a more thorough cooperation between them. Most significant is the fact that the personal relations between General Chiang Kai-shek, Chairman of the National Military Council, and General Chen Chi-t'ang, Commander of the First Group Army in Canton, have been progressively improving for some months now. General Chen Chi-t'ang is the 'strong man' of the Southwest, especially in Canton, and the strength of his position in relation to the so-called 'long coat party,' or the civilian politicos, led by Hu Han-min, has been greatly enhanced.

"Moreover, now that considerable progress has been made recently in the campaign of the National Government forces against the 'Communist' armies in Kiangsi, thus actually creating the situation whereby the National forces are actually almost at the frontiers of Kwangtung province, the powers in Canton are confronted with the necessity of compromising or coming out clearly in line with the Central Government or inviting trouble for themselves. And it is significant that during the latter part of October, when I was revisiting Canton, General Chen Chi-t'ang gave the order dispatching Canton troops into northern Kwangtung to prevent the retreating 'Communists' from entering that province, thus indirectly cooperating in a military sense with the armies of Nanking.

"It was at this juncture, too, that the C.E.C. of the Kuomin Tang decided to postpone indefinitely the meeting of the Fifth Plenary Session of the Party which was to have been held in Nanking November 12th. This move was tactically wise for the National Government inasmuch as postponement serves to dispel dissension in Canton, preventing specific issues from coming to the forefront of discussion, permitting those dissentients, such as Hu Han-min, to 'save face' while efforts are being made to compromise differences, and giving longer life to the Southwest Political Council, which might actually have been abolished had the conference been held. In any case, as is conceded by all informed participant politicos, there was small justification for calling the conference at this time beyond serving formalistic requirements. Its postponement does, however, give a new lease of life to all office-holders whose incumbency depends upon the action of such a conference. This in itself, by maintaining continuity of personnel, strengthens the National Government. And, curiously enough, the postponement was as welcome in Canton as in Nanking."

Southwestern Personalities

When requested to comment upon his impressions of personalities who are the political and economic mentors of Canton and the Southwest, Dr. Young said that he had been most cordially received by General Chen Chi-t'ang, General Li Tsung-jen, Lin Yun-k'ai, Kan Chieh-hou, and Liu Chi-wen. From Macao Dr. Young went into the famous Chung Shan model district and spent the day with the venerable T'ang Shao-yi, and returning to Hongkong he had a two-hour conversation with Hu Han-min. Although there was the offer to place a military plane at his disposal to fly into Kwangsi, so that Dr. Young could meet General Pai Chung-hsi, who shares authority with General Li Tsung-jen in that province, the latter usually remaining in Canton as the go-between with General Chen Chi-t'ang, time did not permit of the excursion.

"General Chen Chi-t'ang, as commander of the First Group Army in Canton, is, so to speak, the military chief of Kwangtung province. His political influence derives in large part from his military power which is enhanced by his control of a powerful air force. He commands the approach to Kwangsi through Canton and the Pearl River, thus exercising great influence over the Kwangsi faction. I found him sincerely devoted to the policy of making his province as economically self-sufficient as possible under his three-year plan of economic reconstruction. While he is receptive to advice and orders of the National Government, as demonstrated for example by several new appointments to administrative judicial office in Kwangtung which were proposed by the National Government and have the personal support of General Chiang Kai-shek, he is naturally confronted with the necessity of satisfying his own constituency, as it were, in Kwangtung. I do not believe, therefore, that the fact that he, among others in the Southwest, attached his signature to the Southwestern Council's manifesto of September 8, which criticized the Government on specific counts, necessarily describes his political position. But for him the Kwangsi generals might have given support to the abortive rebellion in Fukien about a year ago".

"General Li Tsung-jen, commander of the Fourth Group Army in Kwangsi, is a man of a different mould. A more demonstrative personality, communicative and congenial, he expresses his views without reserve. His military prowess was demonstrated in 1928 when he, with other generals of the Southwest, led armies which marched into Peking bearing the banner of nationalism. General Pai Chung-hsi in Kwangsi is, however, the real administrator of that province, and he has done very creditable work in road construction, factory promotion and developing a discipline in the civil service of a type probably unparalleled elsewhere in China. These two men have done much for Kwangsi which is economically a very poor province. I had the impression that General Li Tsung-jen would be less inclined to compromise with the Nanking authorities on account of his freely expressed criticism of General Chiang Kai-shek than any other leader I met in the Southwest, not excluding Hu Han-min himself. Now that the 'Communists' are being forced to retreat into Kweichow and toward Szechwan, and in the event that the National armies commanded by General Chiang Kai-shek approach near the borders of Kwangsi, it will be interesting to see whether General Li Tsung-jen will be able to maintain his attitude of irreconcilability toward the Generalissimo and the National Government."

"It was indeed a privilege to meet the venerable T'ang Shao-yi whom I have wanted to know personally for a good many years, as much because of his personality and colourful political life as because of his distinguished role in Manchuria in 1907 and following as the first Civil Governor of Fengtien Province. He is now 74 years old, but surprisingly hale and hearty, and intellectually vigorous. He talked of things from his family's personal suffering in the so-called First Opium War to administrative achievements in his native Chung Shan district, which has bred so many outstanding leaders in Chinese national life. Incidentally, the motor road from Macao to Tongka, where I visited with T'ang Shao-yi, is one of the finest I have seen in China. Our meeting was in the interval between the movement for his political ouster last July and the recent police incident which caused his resignation as district magistrate. He is no longer in the district."

Hu Han-min's Attitude

Returning from Canton and Macao, Dr. Young was received by Hu Han-min in Hongkong. When asked whether the views of Hu Han min appeared to be irreconcilable with those of General Chiang Kai-shek, Dr. Young replied that although he did not doubt the sincerity of position of this traditional leader in the Kuomin Tang, Hu Han-min dwelling at length upon the events of the period since the Japanese invasion of Manchuria in 1931 and expressing decided opposition to the policies of the Nanking authorities, he said that Hu Han-min constantly emphasized the point that "if the Generalissimo will mend his ways and if changes in foreign policy can be effected I will support the Nanking Government. Otherwise I cannot" . Dr. Young gave it as his opinion that in spite of this expressed attitude of Mr. Hu Han-min he was more amenable to compromise than General Li Tsung-jen, although each conveyed the impression that the personal equation was uppermost in their minds. Concluding his comment on his impressions of Hu Han-min, Dr. Young said : "If we can judge from the recent press releases purporting to describe the conversations between Dr. Wang Ch'ung-hui and Hu Han-min, the latter must have expressed ideas to Dr. Wang Ch'ung-hui very similar to those he freely expressed to me."

Concluding his political observations, Dr. Young said that he himself had over-estimated the real strength of the 'particularism' of Canton and that the tendencies toward bringing the Southwest into harmony with Nanking were far stronger than he had supposed, "The opposition of the 'long-cost party' of Cantonese politicos is, I think, more vocative than it is powerful, due largely to the superior power of General Chen Chi-t'ang. Nor are Kwangtung and Kwangsi necessarily to be considered a unit where questions of national politics are concerned".

The Economic Field

In the economic field, what impressed Dr. Young while in Canton was the situation that side by side with distinct progress in development of public utilities, factories and communications, there was an obviously burdensome taxation. He noted that, although the Anti-Japanese Boycott Association was inactive, there was still a strong disinclination among the Cantonese to buy Japanese-made goods. Dr. Young confirmed the many press reports that there was a great deal of smuggling of goods into Canton and stated that it was an open secret there that many local administrative officials were involved in the smuggling, Canton gunboats being employed in the business, as in smuggling sugar. So serious is this situation, which deprives Nanking of large customs revenues, that the plan for establishing a customs station in Hongkong, the principal port for trans-shipment to Canton, has been proposed by the National Government. This, of course, meets with strong opposition in Canton.

71-055

Japanese Budget Shows Military Costs Have Grown By 130 Per Cent Since Manchurian Incident

THE above heading was used by the *Japan Advertiser* of Nov. 27 in making a comparison of the 1935-36 budget figures decided on by the Japanese Cabinet with those of the current and preceding fiscal years. The figures revealed that Japanese military expenses have increased for the fifth successive year. In the last budget before the Manchurian incident, that for the 1930-31 fiscal year, totaling Yen 1,596,972,000, the army and the navy combined had Yen 442,859,000. In the 1935-36 budget, totaling Yen 2,190,644,938, they are to have Yen 1,021,470,000. Though the total budget outlay has increased since the 1930-31 budget by about 37 per cent the portion devoted to military expenses has grown by 130 per cent. From 27 per cent of the total, the military portion has become 46.6 per cent.

The naval appropriation in the new budget, Yen 530,193,434, shows that the hope of the delegates to the Washington and London naval conferences that the treaties concluded by them would reduce naval expenditure has not been realized, for Japan's largest previous naval appropriation, that for the 1921-22 fiscal year, approved by the Diet before the Washington conference, was only Yen 502,124,975. The general outline of the new budget as fixed by the Cabinet follows:

Revenue

	General estimates	Relief estimates	Total
Ordinary	Yen 1,334,884,631	.....	1,334,884,631
Extraordinary	787,442,117	68,318,190	855,760,307
Ordinary accounts	97,288,718	1,114,250	98,402,968
Bonds	683,153,399	67,203,940	750,357,339
Surplus.....	7,000,000	.....	7,000,000
Total.....	2,122,326,748	68,318,190	2,190,644,938

Expenditure

Ordinary	1,288,702,073	3,823,256	1,292,525,329
Extraordinary	833,624,675	64,494,934	898,119,609
Total.....	2,122,326,748	68,318,190	2,190,644,938

No General Increase in Taxation—Excess Profits Tax Will Be Levied

Admiral Okada, Japanese Prime Minister, announced Dec. 1 that the Japanese government would refrain from a general increase in taxation; an emergency excess profit tax, however, would be levied.

Seiyukai Leader Charges Cabinet With Attempted Dictatorship

Charges of bureaucratism and attempted dictatorship were hurled at the Cabinet of Premier Ketsuke Okada in the first question period of the opening day of the Sixty-Sixth Extraordinary Session of the Diet. The first Opposition speaker, Mr. Yamamoto, a Seiyukai whip, took the government to task for its alleged lack of understanding of the constitutional form of government. "How can a bureaucratic government, such as the one we have now, be powerful enough to lead the nation to a better future in the present national crisis?," Mr. Yamamoto asked.

Admiral Okada denied Mr. Yamamoto's charges of having slighted the political parties and declared that on the contrary his government had always "aimed at the materialization of a real constitutional government." Mr. Yamamoto then turned his caustic remarks to the field of diplomacy where he said Japan's failure to denounce the Washington naval treaty was "inducing foreign Powers to cast doubts about Japan's naval policy."

Electric Bulb Sales in Japan to Be Under Joint Japanese-U.S. Control

For the purpose of controlling the domestic market, Japanese electric bulb manufacturers and the Tokyo Electric Company (American interests) are to establish a Yen 5,000,000 co-operative sales company. This is in accordance with the recent arrangement for co-operation.

Scrap Iron Imports Into Japan Swell as Munitions Industry Still Enjoys Boom

With a sharp increase in the demand of munitions manufacturers, Japanese steel manufacturers are heavily booked. Against last year's total of 2,821,000 tons, they are now believed to have sold over 3,000,000 tons. Many companies are, therefore, being obliged to increase their electric furnaces or open hearths. Consequently, there has been a heavy increase in the demand for pig iron and scrap iron, and imports are markedly increasing. Scrap iron imports last year were 1,012,000 tons, but the total up to the end of September this year was 1,270,000 tons. Pig iron sales this year will total 1,200,000 tons against last year's total of 870,000 tons. Many importers are demanding over Yen 50 a ton for first quality scrap iron. As pig iron imports from India are difficult, so much so that the Co-operative Sales Company has had to place orders with Russian suppliers, the need for scrap iron imports will be greater in the future. It is generally conjectured that imports into Japan from America this year will set a record.

Thirty Koreans Drowned in Smuggling Attempt

An attempt during the latter part of November by 50 Korean laborers to smuggle themselves into Japan ended in tragedy when their little three ton vessel capsized in heavy seas, drowning thirty of them. Gallant rescue work was done by the crew of the ship, this vessel's lifeboats picking up 21 of the laborers, and seven of the capsized ships' crew. Despite the very grave danger, 28 men were picked up, including seven of the junk's crew. The latter admitted that they were smuggling Koreans across the Genkai sea to the mainland of Japan, charging from Yen 6 to Yen 11 a passage. The junk, they said, was overloaded, and they had the misfortune to run into a heavy storm. Thirty had been drowned they added.

First-Class Railway Accomodations Mostly Used by "Dead Heads" in Japan

First class railway accommodations will be provided only on express trains between Tokyo and Shimonoseki after December 1 as the result of a decision by the Railway Ministry, which has found the operation of first class coaches to be virtually a complete loss. The *Asahi* says that those who will be mostly inconvenienced will be members of the Diet and high officials of the Government service, who hold free first class passes and are the largest users of first class facilities. In addition to holding the passes, members of the Diet are paid in cash full first class railway fares both ways between their homes and Tokyo when the Diet is convened.

Japanese Official Given Permission to Wed Scotch Girl

Reversing his previous stand against international marriages among officials of the Foreign Office, Koki Hirota Dec. 4 signed a permit for Miss Lillian Watson Green, of Glasgow, and Toshio Katsube, Foreign Office Attache, to wed. Simultaneously, Mr. Katsube received orders to leave for Bogota, Colombia, where Toshio Iwate, minister, recently opened a Japanese Legation. Mr. Katsube, heir to a fortune, was attached to the London Embassy when he first met Miss Green, who is a concert singer.

Yoshiwara Quarters Will Hereafter Be Camouflaged

The licensed quarters in Yoshiwara, Suzuki, and Shinjuku of Tokyo are to be abolished in the Spring of next year by the Metropolitan Police Board. This drastic measure will set free 2,916 licensed prostitutes belonging to 208 houses; their future destiny will be that of waitresses.

The Tokyo authorities, according to the *Jiji*, aim at two-fold advantages by this single step, contemplating the supervision of the existing street-walkers as simple waitresses, by ordering the houses of ill-fame to turn into eating houses.

A growing outcry has been raised in recent years against the public prostitution system, which was established in 1900. The Chief of the Police Affairs Section of the Home Office stated that it is regrettable that Japan is under considerable misunderstanding in foreign countries simply because of the existence of the public prostitution system, and that as the keepers of brothels have of late been increasingly becoming disposed to change their business, it is thought now is a good time for proper measures of reform to be taken.

Emperor Honors Aged Doctor Who Aided in Fight Against Yoshiwara

The Japanese Emperor received in audience on the last day of the recent army maneuvers 35 persons who have rendered meritorious service for the promotion of human happiness. Among them was Dr. Toshio Saito, 88 years old, who has devoted his life in the campaign against venereal diseases. It so happened that he was the first and foremost leader of the movement against licensed prostitution in Gumma. It was under his leadership that Gumma became the first prefecture in 1894 to abolish the "Yoshiwara" system.

Japanese Girls Taller But Still Flat-Chested, Hygiene Bureau Finds

Japanese girls average 20 centimeters more in height now than they did 33 years ago, but their chests still lack development, a survey by the Public Hygiene Bureau of the Ministry of the Interior states.

New Railway Tunnel Cuts Tokyo-Kobe Traffic Time by 20 Minutes

The railway service between Tokyo and Kobe has been shortened by 20 minutes with the opening in Dec. 1 of the Tanna tunnel, Japan's second longest bore, which took 16 years to complete at a total cost of more that 200,000,000 yen. Scores of lives were lost in carrying out the project, described as the most ambitious undertaking in the history of Japan's railroads.

COMPLETE RATIONALIZATION FOR SILK INDUSTRY

Mr. Yamazaki, Minister of Agriculture and Forestry, has now practically finished preparations for various measures which he is resolved to take in the next fiscal year for the rehabilitation of the sericultural industry. For the execution of these measures he will require a sum of Yen 26,000,000, and has already secured the appropriation for the next fiscal year.

The main aim of his proposal is to rationalize the whole industry, that is to say, from the manufacture of egg-cards to the marketing of raw silk. The most important measure will be the standardization of the cocoon business. At present cocoon raisers sell their product either in a wet or dry state, but as this is attended by both inconveniences and evils, dry cocoons are to be made the standard.

To assist them in making the necessary provisions, the Department of Agriculture and Forestry will defray Yen 12,050,-000 in the next five years. Another important measure is the replanting of 120,000 chobu of mulberry farms in three years with a subsidy of Yen 13,000,000.

Japan's Rayon Industry Shows Great Progress

Conspicuous progress has been made by Japan's rayon industry in recent years. Conditions at one time were so bad that all producers had to curtail their production. But this is all past. With marked increase in consumption both at home and abroad, all producers are working at full capacity, and many of them have gigantic extension schemes. Many new companies have also been established. There is an organization called the Japan Rayon Producers' Association for the control of the market. The present daily output of the nine member companies totals nearly 215 tons, while three outsiders (Nippon Keori, Fukushima and Nisshin) who are already working, have an output of ten tons. It is expected that the total capacity at these companies will be increased by no less than 80 tons by spring. Three companies, viz, Kinko, Shinka and Fukui will commence operations soon, and their output will total approximately ten tons exclusive of staple fibre. There will thus be an increase of 90 tons, and if other new companies start operations, the aggregate capacity will jump to 400 tons.

SUSPECT IN BRIBERY CASE KILLS SELF IN CELL

Sakae Kitahara, aged 42, in charge of the civil engineering section of the Shimane prefectural office, arrested at Matsue as an indirect outcome of the exposure of the Yokohama and Kanagawa prefectural bribery scandals, committed suicide in jail at Yokohama early Nov. 25, by strangling himself with his obi. Tying one end of the sash to his ankles, he looped it about his neck and drew it tight.

Slave Girl's Letter—A Pitiful Appeal from the Tohoku Famine District

In order to make the nation better acquainted with the actual condition of the Tohoku famine sufferers, a young man named Awatani, a village assembly member of Shingi-mura near Aomori, arrived in Tokyo end of last month with full details of the poor rice crops, the farmers' daily foodstuffs, the lack of clothes and the aspects of the suffering. Producing a pitiful letter written by a girl sold as prostitute, he told the Press, "If they only had rice, they wouldn't sell their daughters; this is a brief but true picture of their distress."

O. S. K. Plans to Put 22-Knot Ships in Japan-Dairen Run

Plans to shorten the sailing time between Dairen and Moji, Japan, by 15 hours, and between Dairen and Kobe by 45 hours, are under consideration by officials of the Osaka Shosen Kaisha, operators of the largest fleet of passenger vessels between Japan and Dairen. The project calls for the building of several ships able to develop a cruising speed between 22 and 23 knots.

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Japan's Trade Sets New Record This Year at Over Four Billion Yen

A recent Tokyo message stated that reports Japan's foreign trade this year will set a new value record in the vicinity of 4,350,000,000 yen, (as against yen 3,949,000,000 last year.)

"For the Land's Sake"

The Review does not usually print jokes, but as this one is at least as applicable in China as in the U.S.A., where it originated, here goes!

"What's that I smell?" inquired the lady from the city as she sniffed the country air.

"That's fertilizer," answered the farmer.

"For the land's sake!" exclaimed the lady.

"Yes, ma'am," assented the farmer.—*Wise Cracks.*

Police and Prison Brutality Excoriated by Dr. Iwata

A vigorous attack on the government as regards the abuse of judicial rights (a euphemism for police and prison brutality) was launched by Dr. Chuzo Iwata in the House of Peers Nov. 30. On the subject of "disposition of jurisprudence," Dr. Iwata said:

"I regret the necessity of calling to account our friend Justice Minister Ohara in regard to the enforcement of discipline which, I understand, is one of the avowed missions of the Okada ministry. I need scarcely say that jurisprudence is what guards our national statutes and therefore it presupposes dignity and absolute freedom from animus.

"Yet I am sorry to note that there have been several instances in which judicial officials have exceeded their authority. Take that 'pig-pen case' of Kyoto, for instance. The authorities were apparently influenced by fascist tendencies.

"The so-called 'Finance Office scandal' is another. Need I stress that bribery or irregularity in office can be established only when both ends of the bribery transaction are brought to light. In the Finance Office case, however, the authorities rounded up only the alleged bribe-takers, even when the bribe-givers were unknown.

"I understand that the alleged bribe-givers were arraigned several months after the alleged bribe-takers were indicted. Speaking of the perjury case involving ex-Railway Minister Mitsuchi, he was evidently brought to book just because he testified in favor of fellow defendants. Does this not contradict the spirit of the law?"

"Holding a man in custody is justified only when the alleged criminal is liable to escape or to obliterate evidence, or when he has no fixed residence. In the recent Finance Office case, nearly all the defendants were held in custody. I would like to know if there is any one among those involved in that case who is liable to escape or to destroy evidence, or if any one of them is a vagrant.

"I wish to remind you that in that case the defendants' testimony is the only evidence the judicial authorities can work on. What necessity was there of detaining them? Have not the judicial authorities by needlessly holding them in custody, forced them to confess against their will?

"I have heard it said that some of the defendants were third degreed in prison. I fail to see wherein such steps were needed, since none of them showed any indication of committing suicide. The judicial authorities' statement that some of the defendants were liable to take their own lives is utterly untrue.

"One of the former dignitaries of the Finance Office was said to have had an ash tray flung at his head by a procurator and to have been handcuffed, it being demanded that he agree to what the procurator dictated. Another defendant was said to have had his handcuffs removed only after he agreed to testify against himself.

"If lawful procedure by the authorities fails to establish guilt definitely, what necessity is there for breaking the law to force confessions? It is because I demand that justice be served at all times that I ask you to exert your influence toward lawful administration of the law."

Police Badgering and Passport Examinations in Japan

(*From the Japan Chronicle, Nov. 28*)

Continued complaints of the curious mania the police have for badgering the innocent foreigner appear to be bearing fruit. The Tokyo Tourist Bureau has taken the matter up with police headquarters, principally in an attempt to mitigate the cross-examination which attends the entry into country of practically every foreigner. In this connection it is illuminating to read the comment of the local water police, as recorded in the *Asahi*. While expressing understanding of the Tourist Bureau's attitude, they point out that it is impossible to relax precautions. And then these hard-worked police quote the terrifying story of a foreigner who lived in Japan seven years, whereas his visa permitted him to stay for only a month. The assumption is that unless dock-side third degree is countinued, other desperate criminals will be able to be like-wise. That the man in question did not fall foul of the police for seven years is surely sufficient proof of his orderly behavior, and whatever the incident that finally attracted police attention to him, it evidently was not of a criminal nature or we should have been told of it. But granted the necessity of keeping out undesirables, it does not seem to have occurred to the police that either examination on entry absolutely useless—and hence should be dispense with—or it fulfils its purpose and the elite gain entry. The police evidently remain convinced that these examinations serve their purpose, in which case one wonders why it should be necessary to continue the badgering after the tourist or foreign resident has landed.

Szechuen---A Bankrupt Province

BY PAUL K. WHANG (汪仲方)

IT is contradictory that a rich province should go to bankruptcy. This is what happens in Szechuen, a very large and rich province noted for its numerous products including raw silk, salt, medicine, and last but not the least, opium, the production and exportation of which have brought to provincial warlords a large revenue in the form of taxes and surtaxes—with which to fill up their personal purses and to feed and equip their personal armies. As their avariciousness is insatiable and their personal armies are ever growing, the revenue thus seized and distributed among themselves has become too small in comparing with their big demands; and to meet their present necessities, they have to collect taxes and surtaxes years, nay, decades ahead of time. Thus the provincial finance has been degenerated into a state of great confusion, culminating in the present financial crisis—a natural outcome which has been long anticipated.

Because of this financial crisis, Gen. Liu Hsiang, Commander-in-chief of Szechuen bandit-suppression forces, has once taken French leave of his post and submitted his resignation to the National Government. For the same reason, he has recently taken a tedious journey to Nanking to solicit government assistance in carrying out his plan of issuing a $70,000,000 provincial loan for the alleged purpose of "liquidating" obligations totalling $100,000,000." In order to lend significance to his plan, he was quoted as saying that the loan was necessary in order to enable him to renew the bandit-suppression campaign in Szechuen and to carry it to a successful end. In other words, he has made the continuation of bandit-suppression campaign in Szechuen conditional upon the government assistance in carrying out his loan plan, with the obvious purpose of putting government leaders in a difficult position to turn down his demand.

A General Seeks Financial Aid

Gen. Liu has been long seeking outside financial assistance to tide over the financial crisis in Szechuen. Realizing the difficulty to raise money at home, he, according to those who are informed, sent Yang Chieh-san, general manager of the Yang Brothers Bank, to England at the beginning of this year, for the purpose of seeking loans there. As a result, an agreement governing the organization of a finance corporation in Chungking jointly by the Yang Brothers Bank and a financial syndicate in London was reached and signed on June 28th. The objective of this organization was said to be the promotion of industries and commerce in Szechuen province. When the Chinese students in England got wind of this agreement, they wired back their denounciations against this corporation for its political complications. The Szechuen people in Shanghai and elsewhere took up the cudgels in their hands and pressed Gen. Liu to cancel this agreement. The officials of the National Government were also opposed to it, although Gen. Liu tried to wash his hands off this mess by declaring, "This is a purely business undertaking and not connected with the Szechuen government."

The big cry raised against this Sino-British finance corporation compelled in abeyance, thereby depriving Gen. Liu of a source of assistance with the hand already counted upon. In the meantime, he met great reverses at the Red hands, and militarily and financially, his position became more precarious. In this circumstance, he had no alternative but to quit his post as a last resort to exact financial assistance from the National Government. As he was still a dominant figure in Szechuen, so his resignation could not be totally ignored by government leaders. It is, therefore, only natural that government leaders would use every possible means to induce him to resume his office by giving him many promises including financial assistance. On the strength of this understanding, he has withdrawn his resignation and personally come down to urge government leaders to redeem their promises.

From the standpoint of General Liu, his failure to secure either a foreign loan or a domestic loan at the present time will spell a doom to his career. The victory he gained over his uncle two years ago has elevated him to the premier position in that remote province, but that was paid with a very costly price in so far as dollars and cents are concerned. His elevation to power moreover, has not been looked upon with favor by other provincial warlords, who could not be expected to place confidence in a general who would be so callous as to oust his own uncle for satisfying his own ambition. Therefore they assumed an attitude of indifference and non-cooperation toward his compaign against the Red-bandits, and were tickled at his reverses. General Liu is not bolivious of this situation, and he is also fully aware of the fact that his future position depends upon the breaking down of this state of isolation.

Militarily he is not strong enough to force other provincial warlords to relinguish their independence or semi-independence, and to accept orders from him. The only alternative to this military conquest is to "purchase" their loyalty and allegiance at big prices. Many of our military men, as a rule, are avaricious, and they will change sides in accordance with monetary considerations. For this reason only, General Liu has now been determined to carry out his loan plan and has made eloquent appeals to government leaders. His success in securing the needed money will re-establish his position in Szechuen and regain the overlordship in that remote province.

But the path to his goal is not strewn with flowers. Just as in their opposition to his attempt to secure a foreign loan, the Szechuen people elsewhere have now denounced his plan of issuing a $70,000,000 provincial loan. In voicing their opposition to his loan plan, seventy-six prominent Szechuen residents in Peiping addressed to the National Government a petition, in which they pointed out that the units under the command of General Liu totalled less than seven divisions, the maintenance of which would only require $12,000,000 annually; that he collected regular and exorbitant taxes from his governed areas amounting to more than $60,000,000 annually, which would be more than sufficient to meet demands; and that an examination of the accounts of the provincial administration should be made by the National Government. Finding that the public opinion was not in his favor, he, in a recent interview with the pressmen at Nanking, denied that he had suggested the flotation of $70,000,000 bonds.

If the figures embodied in the above petition are correct, Gen. Liu has had hardly any reason to justify his claim to government assistance. Before persuading government leaders to lend him a helping hand, he should first give his people a proper accounting of revenue and expenditure passed through his hands, together with explanations as to how the vast amount of money aside meeting the expenses for maintaining his personal army, has been squandered annually. The disease of a man, which has been caused by his own recklessness in looking after his health can not win sympathy from his friends.

Populace Tired of Recurring Civil Strife

It seems that the Szechuen people in Peiping and elsewhere are tired of seeing the recurrence of civil strife in their native province and the plight of the people living under the misgovernment imposed upon by provincial warlords. Therefore they are unanimously opposed to any loans granted to any one of the warlords, who will likely use the money for filling up their own purses and enlarging their own personal armies rather than for the purpose of "liquidating old obligations or carrying on the bandit-suppression campaign." While they can not kick out these warlords from their native province, they are now keeping a close watch in preventing them from obtaining outside financial assistance with the hope that with the stoppage of the inflow of sinews of war, the rival warlords may temporarily lay down their arms so as to give a breathing space to the poor people.

What is the trouble with Szechuen is not the insufficiency of revenue, but the fact that the revenue is not big enough to satisfy the avariciousness of too many warlords with their respective vast personal armies. According to a conservative estimate, Szechuen is said to have half a million men under arms. It is only logical that a province, saddled with this heavy military burden, will go to bankruptcy, no matter how rich it is. Therefore the remedy lies not in the securing of either foreign or domestic loans to tide over the present crisis, but in the cutting down of military and other expenses so as to be able to cut the clothes in accordance with the cloth. Even if Gen. Liu is successful this time in securing financial assistance from the National Government, this money will not avail him to do any good to Szechuen, although every cent is truly used for the purpose he has declared, because the root of this financial bankruptcy has not been removed.

Therefore, instead of granting him any financial assistance to enable him to regain his position, the National Government should take this good opportunity by despatching an honest military leader to Szechuen to take control of this deplorable situation and to have the provincial government thoroughly reorganized. It is useless to trust this stupendous task of bandit-suppression and financial rehabilitation to the hands of either Gen. Liu or other provincial warlords, when each of them has a personal interest to serve. Both for the purpose of delivering the Szechuen people from their Slough of Despond, and preventing this large and rich province from becoming the second Kiangsi, the National Government must take this step, and take it immediately.

Shanghai, Dec. 2, 1934.

71-058

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	▲PUKOW	1.20	1.40
16.54	16.57	▲LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05		PEIPING	22.00
13.27	▲	CHANGSINTIEN ▲	22.48
9.54		PAOTUNG	2.28
5.50		SHIHCHIACHWANG	6.28
2.19		SHUNTEH	10.01
19.27		SINSIANG	16.45
16.43		CHENGCHOW	19.26
13.59		HSUCHOW	22.08
12.16		YENCHENG	23.51
9.58		CHUMATIEN	2.34
6.10		SINYANG	6.01
3.36		KWANGSHUI	8.36
22.45		KIANG AN	13.15
22.30		HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	TIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	▲NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO ▼	19.58	—

LUNGHAI RAILWAY.

5.15	—	▲	HSUCHOWFU	—	21.10
0.57	1.17		SHANKIUHSIEN	1.16	1.56
20.47	21.07		KAIFENG	6.20	7.00
18.40	19.00		CHENGCHOW	8.49	9.09
14.45	15.10		LOYANG E.	12.53	13.23
9.30	9.55		SHANCHOW	18.30	18.55
—	6.10		TUNGKWAN ▼	22.15	—

KIAOTSI RAILWAY.

7.35	—	▲	TSINGTAO	—	21.00
5.48	5.50		KIAOCHOW	22.46	22.48
5.06	5.16		KAOMI	23.19	23.30
3.26	3.41		FENGTZU	1.01	1.16
3.03	3.05		WEIHSIEN	1.36	1.39
1.36	1.38		TSINGCHOW	2.55	2.57
28.59	0.01		CHOUTSUN	4.32	4.35
—	22.00		TSINANFU ▼	6.30	—

CHENGTAI RAILWAY.

19.42	—	▲	SHIHCHIACHWANG	—	7.58
18.14	18.16		TSINGCHINGHSIEN	9.27	9.29
16.00	16.15		YANGCHUAN	11.47	12.01
14.48	14.50		SHOUYANGHSIEN	13.50	13.52
12.40	12.49		YUCHIHSIEN	15.25	15.35
—	12.08		TAIYUANFU ▼	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00
NANSIANG	d.	—	—	—	23.33
KUNSHAN	d.	9.05	14.15	—	—
SOOCHOW	d.	9.50	15.00	18.04	1.13
WUSIH	d.	10.41	15.51	18.55	2.13
CHANGCHOW	d.	11.45	16.45	19.53	3.13
TANYANG	d.	12.33	17.36	20.48	4.23
CHINKIANG	d.	13.16	18.20	21.34	5.14
NANKING	a.	14.30	19.35	22.55	7.00

STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
NANKING	d.	8.00	17.00	23.00	24.00
CHINKIANG	d.	9.25	18.25	1.00	1.54
TANYANG	d.	10.07	19.05	1.52	2.43
CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	11.52	20.55	4.07	4.48
SOOCHOW	d.	12.47	21.50	5.13	5.52
KUNSHAN	d.	13.26	—	—	—
NANSIANG	d.	—	—	6.54	—
SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

The Problem of North China

BY C. Y. W. MENG (孟晨泳)

AFTER the invasion and occupation of the North-Eastern Provinces (Manchuria), and the establishment of "Manchukuo," Japan began to invade Jehol and Chahar Provinces. Shanhaikwan, the "first gate under Heaven," was attacked, bombed and eventually occupied by the invaders. At one time, Tientsin and Peiping were in imminent danger of being occupied by the invaders, thus creating what has henceforth been known as the "problem of North China," in addition to what is known as the North-Eastern or Manchurian problem. The forward march of the "victorious" army was, however, checked by the signing of "Tangku Agreement."

But the so-called Northern Problem should have ceased to exist when the Tangku Agreement was signed; when both sides agreed to withdraw their troops; when a "demilitarized zone" was created to avoid the crash of two opposing armies; and when General Huang Fu took up his post as the chairman of the Political Affairs Readjustment Committee. More than a year has now passed since the signing of tnis humiliating Agreement, yet we find not only that the Northern Problem has not died out but instead has become more serious than ever before.

The "Pending Problems"—What Are They?

The Japanese have claimed that there are many "pending problems" in the North which have to be settled, and we understand that the Japanese are constantly pressing Nanking for a solution. "What are these problems?" we ask.

When we read over the Tangku Agreement, we find that the Chinese have already lived up to their promises, and what remains to be done is the retrocession of the occupied districts south of the Great Wall to the Chinese authorities by the invaders—and the delay of which is due to Japan's bad intention, not to China's fault. Would Japan regard such as the "pending problems?" If so, these problems could easily be settled if the Japanese would hand over the administration of these districts to the Chinese.

"Pending Problems" or "New Problems?"

The handing over the administration of these districts to the Chinese authorities is certainly not the problem which the Japanese call the "pending problems." Though we do not possess any official text of the so-called "pending problems," we are, nevertheless given to understand that the so-called pending problems are really a series of "demands" which the Japanese have presented or would present to the Chinese authorities; According to our information, the following are the important points of the "demands":—

(1) Opening of railway service of S.M.R. (South Manchurian Railway) to the inside of Shankaikwan:
   1. Opening of through railway traffic between Peiping and Mukden.
   2. Consolidation of the Peiping-Suiyuan Railway Debts.
   3. Opening of through traffic of Peiping-Suiyuan S.M.R. Line.

(2) Opening of air service and air transportation:
   1. Dairen-Tientsin-Tsinan-Tsingtao Line.
   2. Changchun (now capital of "Manchukuo")—Peiping Line.

(3) Opening of postal service between North China and Manchukuo".

(4) Opening of customs stations in the "demilitarized zone."

(5) Rights of investment of capital in the railway constructions in North China:
   1. Kaomi (高密) (Shantung)-Hsuchowfu (Kiansu) Railway.
   2. Tsinan-Shunteh (順德) (Hopei) Railway. (That is, the extension of the Kiaochow Railway, provided in "21 Demands.")
   3. Peiping-Kupeikow (古北口) Railway.
   4. Shihkaichung (石家莊)-Chungchow (滄州)-Taiku (大沽) Railway.

(6) Rights of investment of capital in the industries in North China: (including technical problems):
   1. Establishment of currency organ in North China.
   2. Investment of capital in the exploitation of mines in North China.
   3. Encouragement in improvement of cotton industry in North China.
   4. Encouragement in improvement of woollen industry in North China.

So, from the above, we note that the so-called "pending problems" are really not pending problems, but are "new problems," or put in the other terms, they are new demands, which the Japanese have created and presented to the Chinese for settlement.

"Direct" Postal Service Between North China & "Manchukuo"

At present, we understand from very reliable sources that the Japanese are demanding the opening of "direct" postal service between North China and "Manchukuo." It is also learned that China is said to have agreed to open the service in the same way as it was with the opening of through railway traffic between Peiping and Mukden—that is, the creation and employment of a "third party," to handle the business, but the Japanese are said to have insisted "direct" service. This demand was first presented to Nanking by the Japanese minister when he visited the Chinese Capital recently, but he was answered by the Chinese authorities that as this is only a "local" problem, the central government would like to see the problem discussed in the North. So the negotiations have been going on between the Japanese authorities and Gen. Huang Fu. What is the result of the negotiation, we do not know. The Japanese are said to be also demanding the removal of the capital of Hopei Provincial Government from Tientsin to Paotingfu, etc. These problems are facing Nanking today.

General Huang Fu's Policy

At one time we remember that General Huang, the chairman of the Peiping Political Committee, tendered his resignation and came down to Shanghai and Hangchow, where he resided for a considerable length of time. But the Japanese did not, and would never, soften down their policy merely because of General Huang's resignation. The Agreement on the opening of through railway traffic between Peiping and Mukden was at last signed.

After repeated pursuasions, General Huang went back to Peiping to resume his post short time ago. In an interview on the situation in the North, he was quoted to have said that "besides the reconstruction by 'peaceful means,' there is no way out," meaning, of course, to embark on a series of reconstruction works, but at the same time to avoid any more clash with the Japanese. But we doubt very much if the Chinese could go on with the reconstruction works free from Japanese interference. Section 5 of the Japanese "demands" provides the right of the Japanese to invest their capital in railway development in North China; and Section 6 provides the right of the Japanese to invest capital in industrial developments in North China. Japan demands that the Chinese should employ only the Japanese capital to develop industries and agriculture in the five northern provinces. So, this gives rise to much talk of "Sino-Japanese economic co-operation." A Japanese bank (Oriental Exchange Bank in Tientsin) which was very flourishing during the "Anfu" (a strong pro-Japanese clique) days was reported to have been reopened.

But on the other hand the Japanese have also presented demands to the Chinese authorities for the payment of the infamous "Nishi-hara Loan," the Japanese intention being that Japan would agree only to the employment of Japanese capital and technical assistance in the reconstruction works in North China, and that if China goes on with the reconstruction works with their own money, Japan would not hesitate to demand the payment of the old debts, the amounts and validity of which are both open to question. So, under such circumstances, we do not think that it would be possible for the Chinese to go on with any of the reconstruction works. So we believe Gen. Huang's policy to be a failure.

"Second Step" of the Continental Policy

According to our information, the decision reached, as a result of series of a "secret discussions," held in Tokyo between June and July, 1933, between the Foreign Office and the General Staffs Headquarters, was to carry out the "second step" of the Japanese Continental Policy. What the "second step" is, of course, is not known to anybody other than the Japanese themselves. But we understand it is concerning North China. This step, according to our information, would take Tsingtao as the central base of the Japanese operations. Japan would develop Tsingtao as the commercial center of North China. From Tsinan, the Shantung Railway would be extended. In other words, the Japanese plan is first to build up a strong economic domination in North China, then followed up by political domination, then the conversion of North China into a Japanese colony or "another Manchukuo. From North China, the Japanese aggression would be further extended to the North-West.

Japanese Agitation in the North

Travellers who have recently returned from North China report bitter experiences about (1) the demoralization of the Chinese masses by the Japanese by means of opium and prostitution in many districts under Japanese occupation, against which the Chinese authorities can do nothing; and (2) the wild activities of the Chinese "traitors" in Tientsin and other "demilitarised districts" under the Japanese protection, direction and financial assistance. Dr. Victor Hu, the Chinese delegate to the Geneva Opium Conference, has already told the world about the opium situation in the North.

The so-called "demilitarized zone" has now become a hotbed for Chinese traitors. These traitors receive orders and assistance from the Japanese to organize themselves and make all sorts of

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troubles for the Chinese authorities. In the Japanese concession in Tientsin, there is the so-called "Human Benevolent Society" (人類愛善會) which is the central organ of activities of the Chinese traitors. It has many "branches" in all important places in the "demilitarized zone." Each branch headed by two chiefs who have to work in accordance with the direction of the president of the Japanese Residents Association in that district. Any one who desires to join the Society has to sign the application, which is in the form of an oath. Any member of the Society who violates the regulations will be punished by the Japanese garrison forces in that district.

Under this Society, there are other secret organs, such as the "Manchu Resurrection Society" (滿興會). This Society, having three branches, is being established for political work, under Japanese financial patronage and secret direction. The first Branch is in Shanhaikwan, which has recruited about 2,000 Chinese as plain-clothed soliders. The second Branch is in Liao-hsien (遼縣) with 3,000 Chinese as plain-clothed soldiers. The third branch is in Tangsen (唐山) with 4,000 Chinese as plain-clothed soldiers.

It must be pointed out that these Chinese plain-clothed soldiers, though quite incapable to fighting are nevertheless quite strong enough to disturb the public peace and to make trouble for the Chinese authorities. Due to the provisions in the Tangku Agreement, no Chinese troops are to enter the "demilitarized zone," the Chinese authorities are quite hopeless to meet the situation.

Besides this, we must mention also the Japanese agitation in Mongolia. The original Japanese plan to conquer Mongolia "Within one year" after the establishment of "Manchukuo" is offset by the rise of the Chinese "Volunteers" who put up stiff resistance against the Japanese. Travellers from North China tell us that the present Japanese plan of conquest of Mongolia is on one hand, to send many Japanese professional propagandists to visit the Chinese Lamas and to inform them about the "revival of the Manchu race," and the "co-operation" of Manchu-Mongolian people, etc., and to build up a strong pro-Japanese influence in Mongolia; and on the other, to send trouble-makers to all important places in Mongolia, so that when the time ripens and when armed invasion is deemed necessary, these people would rise and beat down the Mongolians, who would be catched by surprise.

Japan's "Underhand" Aggression in the North

At present, the Japanese have already built up and occupied a strong influential position in the North. Japanese acquiescence not to invade Tientsin and Peiping is conditioned upon China's agreement to work for the so-called "Sino-Japanese economic co-operation," which to put in other terms, is the Sino-Japanese-"Manchukuo" economic co-operation. So, many observers are correct when they say it is true that the Japanese have ceased to carry out the armed invasion of North China, but the Japanese aggression has taken the form of peaceful political and economic penetration and exploitation of North China, leading to Japanese domination, politically, economically and militarily, and to conquest of North China, at last. China is now being put in such a situation that she could not refuse any of the Japanese demands. China could not mobilize a single soldier; for the mobilization would at once arouse Japanese protest and action on the ground that the Tangku Agreement has been violated. When China fails to comply with the Japanese demands, Japan could at once take any action, on the ground that Japan would like to settle the "pending problems." Japan has already threatened to take action if China does not sign a "direct postal agreement." All these are facts, and are clear to all observers in the North.

So, in conclusion, we can say that what is meant by "pending problems" are really "new problems" and "new demands," created and presented by the Japanese to the Chinese, the sole purpose of which is: first—to set up another "puppet government" in North China, and to convert North China into a "buffer state" to protect "Manchukuo" which Japan would soon annex when the situation in the North is settled; and, secondly, to take North China as the base of operation for the Japanese invasion of China's North-West. To facilitate the invasion and conquest of Manchuria, Japan has divided Manchuria into South and North Manchuria. To facilitate the invasion and conquest of Mongolia, Japan divided Mongolia into Eastern and Western Mongolia. Now to facilitate the invasion and conquest of the whole of China, Japan proposes to divide China into North, Central and South China. Such is true meaning of the "problem" of North China.

Nanking, Dec. 2, 1934.

Japanese Views on U.S.-British Protests Against Manchurian Closed Door

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

GREAT Britain, Netherlands and the United States made a protest to Japan regarding the petroleum oil monopoly by Manchukuo, stating that the practice will violate the treaties dealing with the open-door and equal opportunity and the reports are now creating a sensation in various quarters. It is expected that the problem will make its development with the growth of Manchukuo and the progress of the disarmament conference.

In view of the gravity of the affair, the *Tokyo Keizai Shimpo*, an economic journal, said to have largest circulation in Japan, invited several critics of reputation who are considered as the creators of public opinion to hold a round-table conference on the open-door policy of Manchukuo, especially on the relation between the Nine Power Treaty and the principle of open-door and equal opportunity in Manchuria.

"OPEN DOOR" POLICY

JAPAN:—Please, Gentlemen, you may come in, but, you must first obtain a permit from him.

By way of reference the scribe gives as follows a brief account of the development of the oil question, which constitutes the direct cause of the Powers' protest:

In February, 1934, a joint stock company called the Manchurian Petroleum Oil Company was established with an authorized capital of Yen 5,000,000, of which Yen. 1,250,000 was paid up. The shares are to be taken up by the S. M. R., Mitsui Bussan, Mitsubishi, Nippon Petroleum Oil Company, Okura Petroleum Oil Company and Manchukuo. The new company aims at the operation of the oil-well, refinery, sales and other related business. Apparently this is thus a monopolistic enterprise. The business function of the company is placed under the control of Manchukuo, and accordingly both sales and purchase are done through the hands of the company. The capital of the company is exclusively Japanese, and it is generally believed in Japan that this invited the protest from the Powers. On the part of the Japanese Government, its attitude is that since Manchukuo is an independent state the matter ought to be taken up with the Manchukuo Government, while the Foreign Office says the concern in question is not monopolized by Japan and accordingly foreign capital is free to join it.

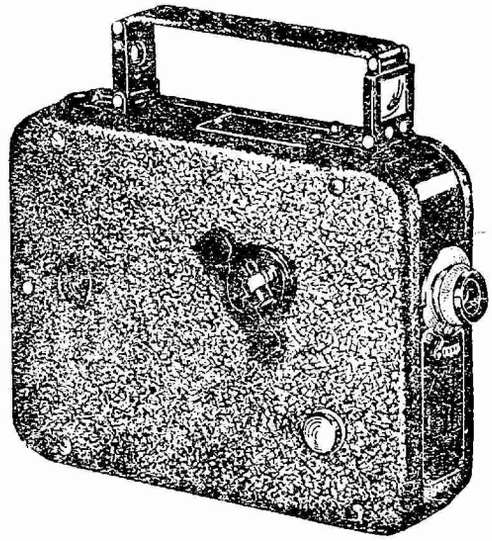
The following are the essential points of the views expressed by those present at the conference.

Minoru Maita (米田實): As neither Britain nor the United States has recognized Manchukuo, they regard the establishment of the Manchurian Petroleum Company with the capital drawn exclusively from Japanese sources, as Japan's exercising a monopolistic policy in Manchuria which they still consider as a part of Chinese territory, and according to their reasoning this constitutes a breach of the open-door stipulated in the Nine Power Treaty.....It is agreed among scholars of the international law that a radical change of the situation can be made the reason for the abrogation of treaties; some of them even declare that a grave change in the circumstance annuls treaties. The same interpretation can also be applied to the Nine Power Treaty. With regard to equal opportunity in Manchuria I feel safe to state Japan may make more lenient application of the treaty. And, in this way she may in future arrest a chance of proposing the cancellation of the treaty if situations both in Manchukuo and the world at large make an important change.

Katsumaro Akamatsu (赤松克麿): The Nine Power Treaty greatly inconveniences the progress of Japan's, continental policy. Japan would conclude no such treaty today; viewed from Japan's standpoint of having to thrive on the continent, it is to be said Japan has found herself hoist with her own petard. It is not at all unnatural that the United States regards the establishment of state economic control and the control of basic industries in Manchuria which was born of Japan's backing, as against the clauses of the Nine Power Treaty. It can even be said that, theoretically, justice lies with the side of the United States. At least as far as Manchukuo is concerned Japan trampled on the Nine Power Treaty, and herein lies where Japan's state policy of today and tomorrow conflicts with the existing system of the world. It is the same circumstance that made her withdraw from the League of Nations. In order to develop, by standing firm on her own policy, Japan is bound to fight the world order, born of the European War, instead of maintaining it. I think there is no difference in nature between the Nine Power Treaty and the Washington and London Treaties. Therefore, Japan finds it difficult to explain away that her control of the right and interest in Manchuria does not conflict with the Nine Power Treaty. She is in a position in which she is unable to prevent herself from violating the treaty. Since Japan is the only maintainer of peace in the East, it is only natural that she occupies a special position in the East just like America has reason to hold up the Monroe doctrine. Japan is destined to scrap the Nine Power Treaty in the Orient.

Retsu Kiyozawa (清澤洌): Supposing that Manchukuo was born of the will of the people as an independent state, there is no wonder about its monopolizing petroleum, in accordance with its own convenience. However, the Powers still regard Manchukuo as part of China. This constitutes a drawback on the part of Japan.....The open-door principle was recognized by Japan in various agreements, such as the Anglo-Japanese Alliance, Portsmouth, and Ishii-Lansing agreements. If Japan denies this fact at this late hour and indulges in sophistry, she may be said as lacking in honesty. None can deny that in this respect Japan stands in an extremely difficult position.....Some maintain that it is in order to put a restraint upon Japan that the question under review was brought up amidst the session of the London disarmament conference, but I do not agree to this. In Britain and America, especially in the latter, the general public does not consider the disarmament conference so important a question as we do in Japan, although upon matters concerning commercial trade the American psychology works vividly. Once when I saw Sokolsky, who had been in Shanghai and is connected with the *New York Times*, he mentioned: "The Americans have not much interest in Manchukuo; if their trade with Manchuria swells following the Manchurian incident they will rather be glad that the incident happened, but if otherwise is the case they will not keep silence." .....The recent protest made by the Powers must have been prompted by such commercial consideration and not by the outlook of the disarmament.....

Yasuzumi Yamasaki (山崎靖純): As far as the Nine Power Treaty is concerned Japan should insist that Manchukuo is an exception. No state of the world can honestly live up to the spirit of open-door and equal opportunity. Why, then, should Japan alone recognize the open-door of Manchukuo? As you are aware Japan must live on her foreign trade; the development of her agriculture is nearing its final limit. It is true the overseas trade of the country



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has made marked advance during these few years, but the world economy will not allow it continue making development as in the past. Therefore, whether she likes it or not, Japan has to find means to support herself, and it is for this reason that no open-door should be allowed in Manchukuo. If we think of benefiting other countries, it should be only after the interest and convenience of Manchukuo and Japan have been thoroughly consulted, for otherwise, where is the significance of our supporting the independence of Manchukuo?

Hisashi Morita (森田久): As it is unavoidable for the development of Japan and Manchukuo to deepen nationalistic coloring and to consolidate economic bloc while seasoning them with the smack of internationalism wherever necessary, it is advisable to keep the door open in Manchuria in such a way that the fundamentals are in the firm grip of Japan while the rest is offerred to other countries. At any rate, as far as economy goes, Manchukuo should be placed under Japanese control. Naturally, interference from other countries is not welcome. But this does not warrant making a great fuss about shutting out foreign interest from Manchuria. Instead, as suggested above, a rather sly means should be adopted, so that the international usage is not violated.

Teijiro Ueta (上田貞次郎): I think no monopoly is advisable if it conflicts with the clauses of international law. Japan need not be afraid of the activities of her rival states in Manchuria. She may keep her door open and give equal opportunity in Manchuria for countries abroad.....With reference to the preferential tariff between Manchukuo and Japan, I may say that such a practice would hinder smooth progress of the conclusion of tariff agreements with foreign countries. Where Nippon power is predominant, there is no need of monopoly..... The Japan-Manchukuo economic bloc will do no good; we had better stop making a fuss about it. What Japan should do is to disable the attempts by the Powers at forming their own bloc, and nothing else.

Takanobu Murofushi (室伏高信): The question whether or not the oil affair conflicts with the Nine Power Treaty depends upon the view point. To countries like Japan, which regards Manchukuo as an independent state the Nine Power Treaty has ceased to exist, whereas to those countries who still consider it a part of China the affair is in contravention of the provisions of the treaty. . . . I do not consider Manchukuo a true independent state and hope that the Japanese Government authorities be fair and just toward it. None considers Manchukuo as a perfect independent state away from Japanese influence, and on this point there is no beguiling foreigners. As regards the Nine Power Treaty, Japan should clarify her standpoint in this respect. If Manchukuo is a necessity to Japan, she has to bravely advance, armed with the policy of monoplization as she does at present and scrap the old paper treaties. If on the other hand Japan has no will to monopolize the Manchurian market and resources, the significance of her making Manchuria become independent and putting the new state under Japanese influence will cease to exist.

Seiki Miyake (三宅晴輝): Seeing that the right and interest connected with forestry which Chang Hsueh-liang bestowed upon the Chinese show the tendency of being transferred to the hands of the Japanese, the closed door in Manchuria is practised not only to foreigners but toward Manchus also. Such a policy will foster up an anti-Japanese movement in Manchuria and I wonder if it will benefit Japan.

Kojiro Sugimori (杉孝森次郎); The provisions in the diplomatic document should be subjected to alteration, with alteration in accordance with the change of situations . . . . Since it has been Japan's attitude to behave with no eye on the League of Nations and to decide on abrogating the Washington Treaty, it is altogether inadvisable to keep intact the Nine Power Treaty alone and to try to go on making revised interpretation of its provisions, for if Japan keeps on following such a policy she would go on piling up lies and even when she speaks the truth would invite suspicion. In my opinion it is impossible for Japan to go on preserving the Nine Power Treaty . . . . Japan has great interest in the Far Eastfor economic and political reasons. If it is possible for her to develop Manchuria and North China further and put them under her influence the nation would feel more at ease.

S. M. C. Turns Down Japanese Request for Change in Educational Policy

The Shanghai Municipal Council, having given further consideration to the memorandum by the Japanese Residents' Corporation requesting a revision of the Council's educational policy, on Wednesday resolved to inform the Corporation that investigation and discussion of the subject from all points of view have clearly shown that it is not at present practicable to further the educational interests of any foreign section of the community by any means which would involve a curtailment of the Council's building program, in view of the pressing necessity for raising the standard and increasing the scope of Chinese education in the Settlement. It is, therefore, proposed for the time being to continue the present policy, which is still in the experimental stage, of providing such additional Municipal schools as the available funds permit and simultaneously assisting foreign and Chinese private schools as heretofore by the issue of grants-in-aid.

"Annexation of Manchukuo Never Thought Of"---Foreign Minister Hirota

Japan has never thought of annexing Manchukuo, but it is Japan's duty to help the new empire to be an independent country for the sake of the Oriental peace, Mr. Kirota, Foreign Minister, stated before the budget meeting of the present Diet session in Tokyo Dec. 4, in response to a question by K. Kato, a Seiyukai member of the Lower House. Mr. Kato questioned the Foreign Minister with regard to the significance of the joint defence of Japan and Manchukuo mentioned in the Japanese-Manchukuo protocol. "I interpret it in a wide sense," the Foreign Minister replied.

MANCHURIAN SALT FOR JAPAN

The Kwantung Government has granted permission to the Dai Nippon Salt Co., the Oriental Development Co., and the Japan-China Salt Industry Co., to expand their respective salt fields in the Kwantung Leased territory. Production of an additional 200,000,000 "kin" (1⅓ lbs.) of salt is expected next year from this expansion. Together with various other plans to develop the salt industry in Manchuria, it is estimated that Manchuria will be able to meet Japan's demand of approximately 2,500,000,000 "kin" per year, and still have a considerable surplus.

Alleged Secret Underground Tunnel Linked Manchuria With Russia

A secret underground tunnel linking Manchukuo with Soviet Russia has been discovered by Japanese troops, according to reports appearing in the Japanese press in Harbin. The alleged tunnel is said to cross the eastern frontier of the new state near Lake Hanka. Its existence explains why "bandits" pursued by Japanese troops have on numerous occasions eluded capture, the reports added.

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The Latest Monopoly in Harbin—Chimney-Sweeping

(*From the "Peiping Chronicle"*)

For the hordes of "get-rich-quick" adventures, now flooding Manchuria from the Island Empire, the best way to make money in the shortest possible time is the invention of some monopoly and saddling the "Manchurian" population with it. There seems to be no bounds to their ingenuity; they know all the ins and outs of the official institutions; it is a trifle for them to obtain official sanction for any of their schemes.

All articles of prime necessity and all services of public importance seem to be in the hands of certain monopolistic organizations claiming their rights from charters specially granted to them by the municipal authorities. The sale of meat, butter or milk, and the cleaning of cesspools, back-yards, and streets are already in the hands of monopolists, who as such are in a position to regulate prices for their products or services. Therefore, the law of supply and demand does not work in Harbin; it has been done away with.

The latest monopoly, which made its bow to the Harbin public quite recently, is a monopoly, or rather a "racket," on chimney-sweeping. Briefly, it means that in Harbin you can't sweep your own chimneys by your own means, that is, engaging for that purpose ordinary chimney-sweepers, of whom there is always an abundance at this time of the year. For that purpose, there is a monopolistic organization, which alone seems to be authorized to clean and sweep the chimneys of the entire town.

The procedure employed by these new monopolists in enforcing their "rights" is very interesting and may be cited as typical. At a recent meeting of the Association of House-owners of the Harbin Suburbs, it was reported that for some time past the houses had been visited by a small group of Japanese who, by their behavior, looked like officials of the Municipal Office. Since none of the visitors could speak Chinese or Russian, it was with considerable difficulty learned that the group represented the newly created Chimney Sweeping Monopoly. It was further learned that, according to the visitors' assertion, no house-owner had the right to clean his chimneys by his own means, and that for that purpose he should employ the workers provided by the Monopoly.

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"Manchukuo" Seeks China Radiophone Connection

Plans for the Manchurian Telephone and Telegraph Company to join the projected Japan-China radiophone service, which is, expected to open next April, were disclosed in Dairen, Nov. 30. Anticipating political difficulties that would preclude direct communications with China, the company, officials stated, will arrange for relay facilities in Japan. An informal understanding to this effect has already been secured from the Japanese Government authority by a high M. T. T. official who recently visited Tokyo, it was stated.

Rev. Charles A. Leonard Writes on Banditry Conditions in North Manchuria

A recent letter from the Rev. Charles A. Leonard, Sr., who is at present in Raleigh, North Carolina, shows that he maintains his keen interest in the Baptist Missionary Work which he has been carrying on for so many years. Referring to recent events in North Manchuria, he says:—"Banditry was bad enough before Japan went into Manchuria, but, alas, in many areas they have increased from ten to a hundred fold since the old government was destroyed. Increase in banditry is due to, (1) the fact that a new, stable government has not yet been established in those frontier regions; because, (2) thousands of soldiers, unwilling to come under the new government, have become disorganized—some beaten and scattered—and are now resorting to robbery, pillage and kidnapping for support; because, (3) many civilians, violently opposed to control of Manchuria by aliens, whom they have disliked and mistrusted over many years, took up arms in opposition, thinking now that such guerilla warfare and pillage will prove helpful both as a protest and as a hindrance to the new government; and then, (4) there are, alas, many, many whose hearts are, so selfish and corrupt, that they will maliciously torture, steal from, mistreat and murder their own people (the Chinese) simply to get what they want, regardless of loss or suffering to others."

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Soviets Ask that C.E.R. Bonds Be Backed by Japanese Banks

Foreign Minister Koki Hirota and Constantin Yurenev, Soviet Ambassador to Japan, conferred for five and one-half hours in Tokyo Nov. 26 on troublesome details of the transfer to Manchukuo of Soviet interests in the Chinese Eastern Railway, the principal result apparently being the proposal by Mr. Yurenev that the Manchukuo Government shall deliver to Russia a bond covering the amount of the deferred payment, the bond to be indorsed by a syndicate of Japanese banks.

Mr. Hirota said he would communicate the proposal to the Manchukuo Government, and would see the opinion of Bank of Japan authorities through the Finance Ministry.

Nippon Dempo said the conference made little progress, and it will be necessary for the two to meet again. The conversations consisted mostly of the reiteration of the claims of both sides, although the proposal of Mr. Yurenev as to the payment guarantee was deemed in the nature of a concession. The conversations touched on the procedure for the actual transfer of the railway, the system of payments, valuation of the commodities to be included in the price, the discharge allowances to Soviet employees, and other problems. Mr. Yurenev handed Mr. Hirota a long statement of the Soviet claims, and Mr. Hirota in turn handed Mr. Yurenev a set of counter proposals.

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Russian Belles Would Prefer Manchu Statesmen to Soviet Spy Work

(*From the Japan Chronicle*)

Why should female spies always be overpoweringly beautiful? A woman of really surpassing pulchritude has very little opportunity to do any espionage, for men's eyes are watching her all the time. Of course, she might do a Delilah act, but the Samsons of to-day are quite capable of double-crossing them and making up entirely spurious secrets in return for their favors. This, anyhow, is the latest menace:

Mukden, Nov. 15.

Bevies of Soviet belles, aged 20 to 30 years of age, well-dressed and speaking Japanese or English or both fluently, have been despatched by the headquarters of the Soviet Far Eastern Army into Manchuria. So declares an advice just received from the north.

No less than 40 members of the Russians beauty brigade, with a subtle design of spying out military and political secrets of Manchukuo are now at large in this country, it is said. They are led by a Mme. Koslaff, who had lived in Manchuria for over four years. Each lady spy is being paid 120 gold rubles a month.

A bevy or two might well gladden masculine eyes in Japan, But there must be a considerable risk on the part of the Soviet Government. What really fascinating woman would want to lure Samsons to destruction on 120 rubles a month? It would hardly pay their beauty-parlor bills. Most of them, if they are really according to advertisement, would marry Manchu statesmen, and stay where they were instead of going back to Russia.

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It Was Not J. B. Powell Who Was Cross-Examined at Manchuli

One of the Harbin papers notes that a traveler via Siberia coming East, who happened also to been the name of Powell, was very thoroughly cross-examined by the Japanese and Chinese immigration inspectors when he arrived at Manchuria, he having been mistaken for J. B. Powell, editor of the *China Weekly Review*. The latter has been in Soviet Russia for several months and at last reports was on his way back, leisurely, coming via the Amur and Vladivostock.

Bandits Give Odd Reason for Releasing W o ma Missionary

Miss G. Emblem, a member of the China Inland Mission in Kweichow, who was captured by bandits in October, has been released. She returned to Wuchow enroute to Hongkong, end of last week. In an interview with the *Review's* correspondent Miss Emblem said that during the last eight days of the march in the mountains with the bandit horde the outlaw chief announced that her presence delayed their progress and consequently they left her behind at Shichtsien, Kweichow province, where she communicated with the Inland Mission. Anxiety is felt for Miss B. R. Appleby, a member of the American Pentecostal Mission at Hohsien on the Kwangsi frontier, from where she departed many days ago for Wuchow. No word of her has since been heard.

U. S. Makes New Representations to Japan on Oil Monopoly

Disregarding the contention of Japan that the subject should be taken up with "Manchukuo" direct, the United States Dec. 1 made new representations to Tokyo against the creation of an oil monopoly in Manchukuo.

Under the oil monopoly, which was declared on November 14, the importation of foreign oil into Manchukuo is permitted only insofar as the actual requirements of the new State are concerned and the control of the importation, supply, and distribution of oil is placed in the hands of the Manchukuo Government, who will fix by law the price of all petroleum products.

First Wholesale Oil Firm Set Up in Manchuria

Organization of a general wholesale oil firm under the provisions of the "Manchukuo" Monopoly Law was announced in Harbin, Dec. 3 by a group of Russian, Manchurian and Japanese business men at present engaged in the oil trade. The new company has been capitalized at $200,000 and has applied for a charter of incorporation and a general wholesale dealer's franchise for the Harbin district.

A Japanese Story on the Oil Situation

The following telegram was sent to Japan by the Shanghai correspondent of the "Osaka Mainichi," Nov. 29.

The four British, American and Soviet oil concerns in Shanghai, namely, the Asiatic, Texas and Standard oil companies and the Soviet U. P. T., have decided to cease supplying oil to Manchukuo, effective immediately. It is reported that the four concerns have already suffered a loss of about 10,000,000 yuan on account of the Manchukuo oil monopoly. They have been actively seeking to induce their home governments to protest to Japan, but seeing that the negotiations are not progressing favorably, they have agreed among themselves to stop the supply of oil to Manchukuo, securing the understanding of their home governments. The agreement concluded by the four concerns is expected to be broken before long, inasmuch as the losses of the concerns will be aggravated by the stoppage of the supply. It is learned that A. E. Jones, general manager of the Asiatic Petrolum Co. in Shanghai, advocated stopping the oil supply, the three other companies agreeing.

"The Asiatic Petroleum Co. is very much afraid of a leakage of the report that Mr. Jones took the initiative in reaching an agreement, lest the products of the company will be boycotted by Japan."

Philippines Hit by Third Storm in Six Weeks

For the third time in seven weeks, a typhoon struck the Philippine islands Dec. 3 to take its usual toll of life, suffering and damage to property. Seventeen persons were killed, while 70 others are classified as "missing." Not the least serious effect of the typhoon, which demolished hundreds upon hundreds of the flimsy houses in which most of the natives live, was to render a total of 15,000 persons homeless.

Emergency Air Defense Drill Staged at Shanghai Railway Station

An emergency air-defense drill was staged at the South Station of the Shanghai-Hangchow-Ningpo railways by the entire body of the railway guards from 3 o'clock to 4 o'clock in the morning of Dec. 4. It was imagined that three "enemy" planes were above the station, coming from different directions. The emergency drill will prepare the railway guards and other defense corps for any state of real emergency, it was declared.

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On the Far Eastern Front

BY H. R. GOLA
Writing from Harbin

(Translated from the "Neues Winer Tageblatt," Vienna Conservative Daily, by the "Living Age")

WHEN I went back to China after the World War it took my train two weeks to cross Russia, and I remember being amazed that this almost endless railway was a single-track affair. Russia has no other means of transporting her troops to the East. Although a second track has recently been built, it is capable of carrying only a small fraction of Russia's huge army eastward in a brief space of time. Reliable sources estimate this army at about a million men, but the Transsiberian Railway could transport only fifteen per cent of them, weather and Japan permitting.

A quiet, but none the less desperate, struggle for supremacy in the East has now begun, and the whole world is eager to receive news from the scene of action. Japan, with a population overflowing its own islands, has long been seeking for colonies to take care of its surplus inhabitants. It also needs new markets in which to sell its products. The latter economic consideration, however, likewise spurs on Russia because of its proximity to China. Moreover, the Communist leaders have for a long time hoped and dreamed of the huge area of China and its 350 million people. The doctrines of Moscow have penetrated parts of southern China, and Russian exports have accompanied them.

The stake to-day is a matter of 350 million people and a territory more than 5 million square kilometres in extent. The preparations for this struggle have given its future victim an opportunity to feel free and easy. Not until the struggle itself is finally decided will the second war begin, the war of the victor against China.

Japan Watches Building of New Trans-Siberian Railway

People have certainly not forgotten the terrific battles between the Chinese and Japanese in Shanghai, North China, and the Chinese provinces that Japan has seized. During the past year, however, Japan seems to have decided on a better course. It has withdrawn nearly all its troops from Shanghai, and the undeclared war against China over Manchuria is coming to an end at a surprisingly rapid rate. Time was when nobody in China expected Japan to withdraw its troops from inside the Great Wall. But the miracle happened: Japan evacuated the zone, and for some time trains have been crossing this former scene of warfare on a normal schedule.

The reason for this is not any desire for peace on the part of Japan but fear. While Japan was posing as the protector of rebellious North China, another railway was being built in the north. Russia was bending every effort to double-track the Trans-Siberian. At the same time it was negotiating with Japan concerning the railway that crosses Manchuria, of which Russia is part owner. Negotiations broke down because there was a difference of some millions between the price offered and the price demanded. But, before any agreement could be reached, Russia's hopes of supremacy in the East received a serious blow. Manchuria declared its independence with all the aid and resources that Japan could provide.

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In order to be able to transport her enormous army to the border and supply it with at least half the munitions and supplies that it needed, Russia built a parallel line, which cannot accomplish any miracles because of its roadbed. No sooner did Japan discover this fact than it replied by establishing an enormous airport in Korea, which provides the island kingdom with a secure base on the mainland. Huge hangars were erected in Urusan, which was to become a great aviation centre, and these hangars were built for the sole purpose of destroying the new Russian railways.

Soviets Keep Building Despite Air Menace

The Soviet Union continued building. It talked and still talks of war. Russia set all the convict labor at its disposition to work building the railway to the east. A hundred thousand men were employed on the stretch of track, laying a roadbed three thousand kilometres long between Amur and Ussuri. New locomotives were built for this track capable of attaining a speed of 150 kilometres an hour. But it was to be used only for reinforcements. Troops arrived on a test mobilization and practised maneuvers until gradually the necessary army assembled. The result is that today ten divisions of infantry with fifteen thousand men each have been stationed in the east. Six hundred heavy and light cannon are distributed along the border, and trucks stand in readiness to move them to any point. More than five thousand machine-gun nests, connected by underground concrete trenches, have been established between the places where these large guns are stationed. The number of tanks is estimated at five hundred. All these troops and weapons were shipped out here during the last six months to provide the shock troops for the future war. Emergency barracks were built along the border, and eighteen thousand men occupy them. These posts, as they are called, consist for the most part of cavalry and flare guns, and their principal duty is to neutralize an airplane attack by creating a disturbance on the frontier. The commander of these special troops is Colonel Petrovich, who is subordinate to the well-known General Blucher.

Even out here nobody discusses infantry as the decisive element in any future war. They are all for the most modern weapons and are bending every effort to get as many as possible on the scene of action. In bomb-proof cellars that are naturally kept secret, tremendous underground factories have been built to manufacture poison gas. The biggest factory of the kind is in the neighborhood of Irkutsk, where most of the heavy bombing planes are also stationed. These machines of the latest construction are equipped with four motors and can fly to the western coast of Japan, 3,500 kilometres away, without landing. It is common talk here that, in the event of an emergency, Russia will abandon Vladivostok and that already she has reduced her troops stationed there to a bare minimum. This city, which was once so important, has today become strategically completely worthless since it lies too close to the Japanese airplane base and is also exposed on two fronts, its seacoast and the Manchukuo frontier.

Armored cars have been especially developed. Most of them are light, mobile tanks that look like armored racers. Their equipment consists of a miniature cannon and a machine gun, and they carry a crew of only three men. We learn that these vehicles can withstand the attack of a mediumsized hand-grenade and can develop a speed of sixty kilometres an hour. We know that they are real speed tanks.

Troops in Far East Occupy Special Position

Since the Soviet Union does not trust its native comrades in the east very much, they have been released from all obligation to deliver grain for six, and even ten years while the industrial districts in this part of the country are required to deliver goods at a higher rate of output. The Red Army troops in the Far East also occupy a special position. As a result of all these favors, Russia has set in motion a great stream of people toward the east, and they represent an important reserve in the event of a future war with Japan. At the same time, cattle farms are being established with a special breed of animals. In order to forestall sabotage on the part of the local inhabitants, the unruly elements were simply removed and sent to the Ukraine. The fleet is also being mobilized, for Russia attaches chief importance to its new submarines, which are real giants, displacing thirty-six hundred tons.

The preparations on the other side are no less intensive. Japan, as I have already explained, has its aggressive weapons in the form of airplanes, but it cannot send any great number of these planes inland. What it lacks in material and men it makes up in patriotism and sacrificial devotion. Japan now has 290 thousand men under arms, 215 thousand of them in the army. The rest serve in the navy at a cost of 265 million yen a year. The airplanes are built by technicians from European factories and are assembled in the Mitsubishi plant. Their engines develop 3,200 horse power and can carry seven machine guns, the necessary ammunition, and twelve tons of bombs.

Japanese Planes to Cut Off Russian Hinterland

In the event of war Japan plans to use these airplanes to cut off the Russian Far Eastern provinces from the hinterland. This will be all the easier because, as I have explained, only a single track line serves the Maritime Province—a stretch of territory about the size of Germany. Moreover, this whole district is hemmed in by mountains over which roads cannot be built. Japan enjoys a further advantage in that this part of Russia reaches around the state of Manchukuo, so that Japan, the real ruler of that state, has already thrust a wedge into the Soviet Union and can cut off all the eastern Russian provinces to the Sea of Okhotsk if it proceeds in the direction of Ussuri and along the Amur River. Any defense of this huge stretch of territory on the part of Russia is out of the question.

But, if things break Japan's way in this quarter, it will not be able to concentrate on attack or defense along the western front because the United States navy threatens the other flank. America is deeply interested in this future war, and not merely because of the munitions that are now being shipped out there. It would immediately lose the Philippine and Chinese markets in the event of a Japanese victory.

Japanese Gains in Hawaiian Islands

Here is an example of how Japan has already penetrated this part of the world. The population of the Sandwich Islands, including Honolulu and Hawaii, comes to 500,000, of whom 150,000 are Japanese, as against 40,000 Americans. The rest are natives and half-breeds. Thus Japan has already occupied nearly one-third of these American islands.

The question naturally arises how the huge realm of China, with its 350 million inhabitants, will face this situation. That question can be answered briefly. China will not, and cannot, have any voice in the matter. The two opponents of the future war are Russia and Japan, and they have prepared China after their own fashion in such a way that it is completely wrapped up in its own affairs. For one thing, there are treaties that China must observe; then there is the Communist danger in the southern districts, and

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finally there are the numerous wars in the interior of the country, which prevent it from giving any thought to foreign affairs.

The inhabitants of Manchukuo feel the tension in the east more keenly than any other people, for the Chinese Eastern Railway crosses their country. China or, it would be more accurate to say, Japan owns half this railway; Russia the other half. It consists of a stretch of track, 2,000 kilometres long, and it is supposed to provide its own defense troops according to treaty provisions. But quarters for the men have never even been built along the track, and the guards are confined to a few soldiers. The continued bandit raids on this important line not only upset passenger traffic but hamper the delivery of freight. M. Rudy, the director of the Chinese Eastern Railway, energetically demanded the protection that his road had been promised, but the military authorities replied that it would cost more than their budget could afford. Rudy then handed over four million yen from the railway's own reserves to be spent on protecting it, but he got nothing for his money. All that happened was that the Japanese guards along the frontier were increased from 200 men to double that number in each post, and there is one of these posts every two or three kilometres.

In recent weeks the population has been showing signs of unrest such as always precede important events. The Russians in particular have displayed a nervousness that is not due solely to personal interest but that arises from definite sources of information. The trains to Manchuria, the Russian frontier station, are full of travelers. Many households are breaking up. Businesses are selling out, and contracts are being transferred. Every day one can gaze in amazement on the White Russians in Harbin. The voluntary military organizations they used to maintain have now become compulsory. They parade in front of their Ataman Semenov, who expects nothing less than to bring all the eastern provinces of the Soviet Republics into an independent state under his own rule. He still believes in the promises and assistance that Japan offers if he will turn his troops against Russia in her behalf.

What used to be happening in Manchukuo is now being repeated here. Houses are almost given away to imaginary individuals since the owners are threatened with confiscation on political grounds. Those owners who live in the greatest fear are the Russians who have shown sympathy for the Soviet regime.

In the country districts the shipment of food is being restricted more and more in order to assure the Japanese troops of receiving supplies in the event of war. For the same reason the rolling stock of the Chinese Eastern Railway is not allowed to pass beyond the Manchukuo border, and this has done grievous harm to the foreign trade, which had already almost expired. At the frontier all travelers must change cars, and all the freight is also moved into Russian or Chinese cars.

One thing remains uncertain. What will the line-up of Powers be? Russia has high hopes of gaining the aid of America. Japan is courting England, from which it has taken huge supplies of raw material in order to win its future support. Although America is no friend of the Soviet Union, it would have to fight on the Russian side, unless it wanted to turn the whole East over to the yellow race, since Russia alone, in spite of its armies and airplanes, is too weak to protect its seacoast. On the other hand, England fears the appearance of America in one of its own private preserves and believes that it can count on a safe place for itself by the side of the Empire of the Rising Sun if she gives Japan's flag at least moral support.

Out here the conflict seems inevitable, and the barroom strategists already know the future boundaries that Japan will lay down in the event of victory—they will claim that the Island Empire extends as far as the Urals. Its southern boundary will skirt the Yellow River through China, Tibet, and the Sea of Aral. This enormous stretch of territory would be half again as large as the United States. A Japanese officer I questioned on the subject informed me, however, that Japan would go no farther. Its watchword merely runs: Asia for the yellow races.

Britain to Assist Tramp Vessels With £2,000,000 Subsidy

A White Paper was issued London, Nov. 30 containing a memorandum on financial resolutions regarding assistance for British shipping. The document states that a subsidy for tramp shipping is not to exceed £2,000,000, and that this amount is to be reduced if the average level of freight rates during the year the subsidy is in force rises above 92 per cent of the 1921 level. This subsidy will be withdrawn within a year if circumstances alter during the proposed period, January 1—December 31, 1935. Advances for building or modernizing cargo vessels are not to exceed £10,000,000. No advances are to be made after two years of the passing of necessary legislation.

The chief modifications of the White paper issued last July are; that owners are required to scrap two tons for every ton of new shipping built, and one ton for every ton of existing shipping modernized, instead of three in each case. In addition, owners will be allowed to buy foreign as well as British ships for scrapping purposes.

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643

Nanchang N.E.C. Branch Pushes Rural Reconstruction

BY S. Y. CHI

THE Nanchang Branch of the National Economic Council, under the chairmanship of Hsiao Shun-ching, Kiangsi's economic expert and social welfare leader, is doing excellent work in rural reconstruction in the devastated areas recently recovered from the Communist bandits by Generalissimo Chiang Kai-shek's forces. A new system of ten rural welfare centres has been introduced. Social workers, technical expects and representatives from newly-created coopetative, agricultural improvement special rural mass education and rural sanitation centers, from the principle nucleus which the whole body of the rural rehabilitation machinery is being set in motion.

With the help of the Ministry of Industry, more experts are to be sent here to study the conditions on porcelain manufacturing, paper making, grass cloth or "Hsia Pu" weaving, sugar refining, tobacco raising, tea growing, indigo planting, etc., for each of which industries special laboratories will be soon installed to conduct a scientific study and experiment with a view to achieving proper improvements, and developments in the various branches of the native industry.

The Academia Sinica in Shanghai has also contributed a valuable service toward this work by sending out Chow Jen to lead a party of porcelain expects, geologists and chemists to study the porcelain industry in Kiangsi and to prepare plans for improvements. Wu Chiao-lung has been leading another group to investigate the tea preparations at Hsinshui. Despite the fact that Chinese tea has been dull in foreign markets during the last two decades, there are still prospects for future development, as seen by Hsiao Shun-ching, chairman of the Nanchang Branch of the N.E.C., who for a long time strongly advocated the introduction of scientific methods for plantation and labor, and for an advertising campaign as chief factors for promoting sales both in domestic and foreign markets.

Three Trunk Highways Completed

The three trunk lines, i.e. the Honan-Kwangtung Highway, the Nanking-Kweichow Highwav and the Shanghai-Kwangsi Highway (the sections that pass through Kiangsi) have been all completed. The N.E.C. has contributed the sum of $2,000,000 toward the construction.

Out of the ten contemplated rural welfare centers, six have been inaugurated, namely, at Linchuen, Nanchang, Fengcheng, Kanchow, Kaoan and Tuchiapu. The other four are still in a stage of preparation. The sum of $350,000 is appropriated for the organization and promotion of the rural welfare work in the recovered areas.

Introduction of immediate relief measures for coping with the badly-off situation of the declined native industries, such as the manufacture of paper, grass cloth, porcelain, tea, etc. is also being given urgent consideration by the Nanchang Branch N.E.C. The sum of $300,000 has been set aside by the N.E.C. for this purpose. Dr. J. B. Tailor, well known American student of the Chinese native industries in Peiping, was reported to have accepted the invitation of the Nanchang Office N.E.C. to come to Kiangsi and to lead an investigation committee to make a study of the conditions vis-a-vis Kiangsi's native industries and submit a report on their findings with which practical plans will be prepared for the improvement and development of these roads. The Work Supervision Bureau is now working on the repairs of the bridges, the grading and widening of the curves and other re-leveling work on the various lines of inter-district roads, which were built in a hurry for the purpose of facilitating military movements of the Anti-Red campaign. The road-building work was being accelerated by the despatch of three extra survey corps here at the expenses of the N.E.C.

Hydraulic Engineering an Important Factor

Water conservancy is one of the important problems that China is to tackle as a huge agricultural countrv. And it is also a principal work of the N.E.C. as outlined in its program of national reconstruction.

At present, three survey corps have been busily engaged in the survey of the water courses in Kiangsi at the fund of $90,000 appropriated by the N.E.C. The survey of the Poyang Lake is carried out by airplanes. When completed, work will be started to deepen the outlet of the Lake from Hsintse to Hukuo, and to dredge the Kan and the Fu rivers so as to prevent flood.

It is generally observed in connection with speedy hydraulic engineering in the province, that work on the line of irrigation is being done by the people, that of anti-inundation is being done by the government, and other kinds with the assistance of the central government.

Every opportunity is availed of by Hsiao Shun-ching, chairman of the Nanchang Branch N.E.C., who works with all his ability to carry into effect the program of N.E.C. to the best stage humanly possible.

Nanchang, Nov. 23, 1934.

71-068

Trade of China for 10 Months Shows Excess of Imports of $432,248,179

China's foreign trade during the first 10 months of the year resulted in an excess of imports to the value of $432,248,179, according to monthly returns published by the Chinese Maritime Customs.

The total net imports and exports during the period were valued at $1,315,979,879 as compared with $1,664,878,579 during the corresponding period of the previous year when the adverse balance revealed an import excess of $650,969,201. Imports during the first 10 months were valued at Customs Gold Units 445,297,860 or $874,114,029 while exports were $441,865,850.

Trade during October resulted in an adverse balance of $36,339,897. The net imports and exports were valued at $121,659,965, as compared with $119,171,548 as recorded for the month of September. Imports were valued at C.G.U.41,469,780 while exports during the month were $42,660,034.

Central Agricultural Station Report Shows Green Tea Leads Other Varieties in China

A comprehensive report on the production and consumption of tea has been published by the Central Agricultural Experimental Station of the Ministry of Industry, following an intensive investigation throughout the country. Green tea heads the list in production, representing 62 per cent of the total output.

***

Soviets Increase Tea Production Immensely Since Revolution

Moscow *Pravda* says that before the revolution tea planted areas amounted to only 980 hectares, whereas today, tea plantations occupy some 35,000 hectares. From this area is harvested 6,560,000 kilograms of green tea leaves. Twenty-one tea factories have been established to take care of Soviet production, these turning out 748,000 kilograms of finished product in 1933. This year, it is stated, already 1,490,000 kilograms of finished product have been turned out.

Chinese Merchants Will Participate in Manila Exhibition

Under the leadership of Mayor Wu Teh-chen, of Greater Shanghai, local Chinese financiers and merchants are busily preparing for participation in the forthcoming native goods exhibition in the Philippine Islands, which is scheduled for next spring and which will last for eight weeks. A preparatory office has been established in 115 Hankow Road. Chinese goods destined for the exposition will be exempted from taxation when worth less then $10,000 but will have to be transported back to China after the exhibition. Duties will be collected on those goods which are sold during the time of exhibition.

Assassinations in Soviet Russia

Don Levine, well known writer on Russian affairs, author of "Stalin" and Biography of Lenin, in a recent article said:

"Collective suicides, widespread revolts, mass executions, massacres of civilian populations and assassinations of communist officials have marked the rule of the Soviet dictatorship during the current year, according to the *Krestross* and other underground news agencies operating in Soviet Russia. The *Krestross* is the Secret Intelligence Service of the Peasant Labor Party, led by S. S. Maslov, a veteran revolutionist since Czarist days.

"So numerous are the authenticated cases of assassinations of Communist officials that one could publish long lists of them. It will suffice here to add that at the famed Magnetogorsk, during a period of three weeks, three high Soviet functionaries, Vargin, Kolesnikov and Chistiakov, were killed; that at the great Nadejdinsk works three special investigators of a strike which had occurred there last March namely, the Ogpu chief Grebanov and his companions, Kolishkin and Ivaniukov, were assassinated; and that the director of the political department of the Moscow military district, Gamarnik, reported the assassination of the four high officials during a period of six days."

Missionaries and Other Foreigners Asked to Assist in "New Life" Movement

The Shanghai correspondent of the *Japan Advertiser* writes:—"It has been interesting to note that in all these places where the General has gone, he and Madame Chiang have called together the small groups of foreign advisers attached to the local governments and the missionaries and have talked to them of the New Life Movement, urging their co-operation in making this attempt to reform the moral life of China a success."

Gen. Chiang Against War: Wants Respect and Confidence

The correspondent of the *Osaka Mainichi*, Mr. Tachibana, granted an interview by General Chiang Kai-shek at Nanking, Nov. 27, asked:—"The present attitude of China towards Japan appears to be one of continued resistance: it is said that in the coming crisis of, perhaps, 1935-6, when Japan may be hard pressed by international difficulties, China will seize the opportunity to oppose Japan. Is this true?

Gen. Chiang.—It is natural that certain sections of our people should feel this way. All who are cognizant of world trends, and particularly those in the Far East, however, are unanimous in their opposition to another world war. We all know that the happiness and prosperity of the Far East depends upon world peace. China, in common with other nations, stands to benefit from world peace. It is self-evident that from the standpoint of China's own good she will not desire another disastrous world war. China and Japan are sister nations in the Far East and all their relationships one with another should be based on justice and good-will. Apart from mutual respect and confidence, there is no other stable foundation upon which to build international relationships.

Mr. Tachibana.—Following the Manchurian incident, has China's policy of close co-operation with the League of Nations and the Powers tended toward further complicating the Far Eastern situation?

Gen. Chiang.—Since China is a member of the League, it is only natural that she should observe all the articles of the League Covenant.

Mr. Tachibana:—Does the recent increase in military and economic influences of the Powers in China retard Sino-Japanese co-operation?

Gen. Chiang:—As far as I can see, America and Europe have not only refrained from extending their power in China, but are gradually relinquishing some of their special concessions.

Mr. Tachibana—What is the best possible solution to Sino-Japanese relationships?

Gen. Chiang:—There is only one fundamental solution to all Sino-Japanese problems, and that is the observance of mutual respect and confidence. The key to this situation is entirely in the hands of Japan.

Mr. Tachibana—Japan's aim at the London Naval Conference has been purely to ensure her independent position in the Far East. What is your opinion on this question?

Gen. Chiang:—I have not studied this question in detail, but my sincere desire for the London Naval Conference has been that such an agreement be reached as will bring lasting peace and happiness to all mankind.

Mr. Tachibana—Japan hopes that the present policy of the Kuomintang will not continue but rather that Dr. Sun Yat-sen's pan-Asiatic program should be the ruling principle. What is your opinion?

Gen. Chiang—The Kuomintang of to-day is the Kuomintang of Dr. Sun Yat-sen. It is not departing from the original principles of its renowned founder. I am sure no one will object to our late leader's pan-Asiatic doctrine of equality and mutual cooperation becoming a reality.

Gen. Chiang further said:—China is already unified. The Southwest presents no problem. I assure you that China's day of internal strife is over. The Kiangsi communist question has been successfully liquidated, but in other parts of the country there may still be slight disturbances by roving bands of communists. These will gradually be brought under control.

"China's position differs from that of Germany, Italy, and Turkey. Therefore there is no necessity for a dictator. As to the matter of the presidency, I have not time to even speculate upon such a question in my mind. There is room only for China as a nation and my responsibility toward her.

"The purpose of the New Life Movement is to perpetuate China's ancient virtues in such a way that our people will become modern minded progressive citizens."

Mr. Tachibana.—What is China's border policy?

Gen. Chiang.—All Chinese territories should be under the direct sovereignty of China. This is the unanimous opinion of our people.

Asia Realty Co. Distributes Attractive Desk Calendar

A new 1935 desk calendar is being distributed by the Asia Realty Company. It has an attractive form and is furnished with a wooden stand. Dates are printed on both sides of the sheets, with blank space for memoranda. A monthly calendar for the previous and coming months appear on the corner. A list of Bank and Custom holidays, arranged by the Shanghai General Chamber of Commerce, appears as a preface.

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71-069

THE GIST OF JAPANESE PRESS OPINION

There is much muzzling of speech in Japan at present. Apart from matters that relate to the thought problem or that would be derogatory to public peace, the Government is prohibiting the publication of news about various events. There would be some excuse if this prohibition were essential for protection of State interests or public order, but it is not.—*Tokyo Yomiuri.*

If the reported British scheme of concluding the Pacific Security Pact is a maneuver to restrict Japan's claim of parity, it is not worth considering. But if it is a precautionary measure against the possible failure of the London Pourparler, its practical value is undeniable under the circumstances.—*Tokyo Nichi Nichi.*

Japan has two things to declare definitely in regard to the Anglo-American protest concerning the Manchukuo oil problem. One is that Japan has nothing to do with the Manchukuo policy in question and the other is that this oil question should to be separated from the naval disarmament issue.—*Osaka Asahi.*

The new fiscal year's budget is greatly disappointing in more than one point. A glance over the estimates brings to light an undue attempt to maintain the loan quotations, neglect of farm relief, and the absence of any projects calculated to solidify the finance.—*Tokyo Yomiuri.*

In an attempt to justify their outrages, political assassins are apt to plead punishment of the oppressors for the sake of multitudes. Rescue of the State or people may be sought at the sacrifice of one's own life, but not at that of other people's. Unless this is duly maintained by law, there can never be any real social progress.—*Tokyo Jiji.*

In the industrial circles, non-military enterprises must be warned against possible effect of deflation, and in the banking circles against inflationalism. In either case it is highly advisable under the circumstances that precautionary measures should be duly taken.—*Tokyo Chugai.*

The inevitability of the proposed taxation increase in the form of the emergency profit tax is now generally accepted. But this does not justify the Government relaxation of efforts towards financial improvement by better measures. For the contemplated taxation still leaves much to be desired, as the Osaka Chamber of Commerce holds.—*Osaka Asahi.*

Nationalizing the Troops

(*Editorial in the "Hankow Herald," December 1.*)

THE joint manifesto issued by General Chiang Kai-shek and Wang Ching-wei, embodying the five-point program for the unification and pacification of the country, is undoubtedly one of the most important state documents yet pronounced and, when carried out strictly in accordance with the spirit of its sponsors will have the farthest reaching effect upon the future of China.

The most important of the five points outlined by General Chiang Kai-shek and Wang Ching-wei is, in our opinion, the one aiming at the unification and centralization of the various armies under the control of the Central Government. "A standard should be fixed as to what constitutes national army and regional forces." says the manifesto. "For purposes of national defence, the national army should be under the control of the Central Government, while the regional forces, such as the peace preservation corps and militia units, shall be under the control of the regional governments, with the number fixed by the Central Government."

Of the paramount need of such standardization and centralization of China's much disorganized fighting forces little needs to be said. A National army—one which could be held to symbolize properly the national power and prestige and in which the people could take militial pride—was practically unknown in this country. Until after the successes of the Nationalist troops in driving the vicious Tuchun system out of existence in 1927, the so-called soldiers were personal properties of their respective commanders, who could use them to defy and blackmail the government, bargain with other warlords and raise the banner of independence and revolt. It is clear that no nation can ever hope to survive in this age when imperialism is running amuck and to defend its territory against one with a highly centralized military machine. It is also clear that unification is impossible as long as the troops can be utilized by ambitious and unscrupulous generals to defy the government.

Credit is largely due to General Chiang Kai-shek for the eradication of much of the evils of the old Tuchun system. A well disciplined and standardized national army is slowly emerging from the past chaos to be the backbone of the Central Government, and the days are now gone when military commanders could break away from the government with immunity. The ease with which the Fukien rebellion, aided as it was by the 11th Route Army of the Shanghai War fame, was suppressed has been the most admirable and salutory demonstration of the efficiency of the fighting forces of the Central Government.

It is of course untrue to say that the old Tuchun system has completely gone and the great motley assortment of uniformed self-styled soldiers can be called a national army. There is still a great deal of looseness in the control of all the troops and many military commanders still retain much of their old independent status. Much remains to be done before the standardization and centralization as conceived by General Chiang Kai-shek and Wang Ching-wei are achieved. But, with the successes of the National army over the communists in Kiangsi, Fukien and elsewhere in central China and the resultant greatly enhanced prestige of the national army, there is great hope that the time is not far away when the plan of the government leaders will be successfully carried out.

Pacific Conference Necessary, Says China Institute

The China Institute of International Relations, a private organization, has made the following statement regarding a Pacific Conference, unofficially suggested in the United States:

"In view of the imminent failure of the London naval discussions, it seems necessary to consider other methods of solving the delicate outstanding international problems in order to avoid a ruinous race in naval armaments. All those who are conversant with the subject of naval treaties are fully aware that their conclusion was based upon certain definite political considerations, such as the maintenance of peace in the Far East by all nations and the guarantee of China's sovereignty, independence, and territorial and administrative integrity. Japan has now asked for naval parity with the United States and Great Britain, but has refused to discuss political questions of the Far East. No wonder that the London naval talk is doomed to failure.

From American quarters a Pacific Conference has been suggested. England appears to welcome this idea, but Japan has given it a laugh. Is Japan's aim to secure naval parity by simply denouncing the existing naval treaties? Can the naval questions be totally divorced from political problems? Unless she is prepared to enter into a naval race with the United States and Great Britain, she must change her present stubborn attitude. If not, the common interest of all nations in the Pacific, namely, peace and security, will be greatly jeopardized.

Of course, China will be the most interested party in such a discussion. Her interests, which all the Pacific nations guaranteed twelve years ago, have been violated without justification since September, 1931. China naturally wishes to see that gross injustice be remedied, her lost territory restored, and her future security more adequately safeguarded. The United States and Great Britain have already made clear that China's territorial integrity is the key to their Far Eastern policies. Japan has on her part turned a deaf ear towards the proposal for the convocation of a Pacific Conference, although she is intent upon seeking naval parity.

Should Japan's statesmen adopt a more far-sighted policy towards the preservation of peace in the Far East, they ought to welcome the calling of a Pacific Conference with great enthusiam. Surrounded as she is now by nations who are suspicious of her ambitions, a conference of this kind will give her an opportunity to remove these apprehensions by a frank deliberation of all the issues which have an important bearing upon the maintenance of that peace.

"By refusing to participate in any political discussion and by assuming an arrogant attitude towards the nations which suggested it, Japan has adopted an ostrich policy which will never succeed in leading the world towards the solution of important outstanding international problems. On the one hand, Japan, therefore, will never be able to attain her ambition for a relative naval parity, and on the other, she will bear the full responsibility for wrecking the London naval discussions."

Dollar Line Reports Increased Patronage During 1934

The Dollar Steamship Lines—operating passenger liners between Far Eastern Ports and the ports of Seattle and San Francisco—report considerably more business this year than for any similar period since 1927 and 1928. W. G. McDonald, Dollar Line official acting in the place of Geo. J. McCarthy, Oriental passenger traffic manager, states that not only has tourist travel been better this year than 1933 and several years previous, but the season of passenger travel this year held up two months longer than it did during the past few years. Dollar Line officials hold an optimistic viewpoint for passenger travel in 1935. A marked tendency for more passengers to travel first-class is noted; also more first-class travelers are buying de luxe accommodations and private baths with their rooms. The recent reduction by all lines in the Trans-Pacific Passenger Conference of the "supplement" charge for private baths with regular first-class accommodations from U.S. $62 to U.S. $19 is accountable for much additional business.

Who's Who in China

S. G. Cheng, Government official; born in Chinkiang, Kiangsu, in 1894; graduate of Kiangnan Provincial College, Nanking; B. Sc (Econ.) of the University of London, 1917. D. Sc (Econ.) of the University of London, 1921; Studied in Paris and Columbia Universites; secretary to the Peace Treaty Commission of the Ministry of Foreign Affairs and secretary to the Chinese Delegation to the League of Nations 1920-22; adviser to Ministry of Foreign Affairs; secretary and later councillor of Ministry of Finance; technical expert to the Special Customs Conference and to the Sino-Russian Conference 1922-28; expectant Minister Plenipotentiary; special delegate of the Ministry of Finance in Europe in 1928; departmental director of the Salt Administration, Ministry of Finance, 1928-32; councillor of the Political Affairs Readjustment Council in Peiping 1933; now Special Commissioner of Foreign Affairs at Peiping; member of American Society of International Law; author of "Modern China" A Political Study, (Oxford University Press); contributor to "Contemporary Review", "Observer", "Annual Register" (London), "China Year Book (Shanghai)" and "Current Events (Nanking)"; address: Office, Special Commissioner of Foreign Affairs, Peiping.

程錫庚字蓮士
Cheng Hsi-Keng (Cheng Lian-Shih)

程錫庚字蓮士，年四十一歲，江蘇鎮江人，江南高等學堂畢業，英國倫敦大學經濟科學士博士，並任巴黎大學哥崙比亞大學肄業，曾充外交部和約委員會秘書，國際聯盟會全權代表辦事處秘書，外交部顧問，財政部秘書及參事，關稅特別會議中俄會議專門委員，全權公使存記，財政部駐歐代表，國民政府財政部鹽務署處長，行政院駐平政務整理委員會參議，任現駐平外交視察專員，美國際公法學會會員，著有英文「近代中國」一書，牛津大學出版，倫敦現代雜誌，星期觀察報，世界年鑑，上海中國年鑑，南京時事月報，特約編輯。

Film Shows How Lieut. Dorsey Stunted to His Death

A verdict of death due to mishap while flying an airplane was returned by William T. Collins, United States Coroner Dec. 1 a the conclusion of the inquest into the death of Lieutenant Edward R. Dorsey, U. S. Army flying ace who crashed at the Hungjao Airdrome last week while stunting only 75 feet from the ground.

Questioned by Felthan Watson, U. S. District Attorney, one witness declared that Dorsey indulged in the stunting which caused his death without permission or the permission of the company. It was his and the company's instruction to Dorsey not to stunt in any way, but only to make speed, as they relied on the speed capacity of the planes to sell them in China. Asked why the deceased stunted against instructions, the witness said he had concluded that Dorsey wanted to be filmed while stunting.

Dist. Attorney Watson later declared that American pilots in China, especially members of the U.S. Army Air Corps, would have to comply with regulations in regard to stunt flying as they are required to do in their home land or else answer for breaches in the local court.

The motion pictures taken of the flight and crash in which Lieutenant Dorsey lost his life are being shipped to the Boeing factory in Seattle.

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71-071

Men and Events

CORRECTION.—Through an unfortunate typographical error in this column last week the amount of the claim by the China Finance Corporation, Fed. Inc., U. S. A. against the China Realty Co., Fed. Inc., U.S.A. was incorrectly stated. It should have been $40,000, or to be more exact, Tls. 30,000. We are indebted to the China Realty Co. for calling our attention to this error.

Sir Victor Sassoon, Shanghai capitalist, arrived back from Europe on board the Italian liner, *Conte Verde*, Dec. 3.

Rodolfo Espinoza, vice-President of Nicaragua, departed for Europe from Shanghai on a Japanese steamer Dec. 4.

The Danish Minister to China and Mrs. de Oxholm arrived here from Europe Dec. 4. They are staying at the Cathay Hotel.

Mr. and Mrs. Jack T. Young addressed the Shanghai Rotary Club Dec. 6 on "Hunting and Bartering on the Tibetan Borderland."

Rev. Irving C. Tomlinson of Boston gave a lecture on Christian Science in the First Church of Christ, Scientist, Shanghai, Dec. 2.

The death occurred at West Chester, Penna., last week, of Dr. Charles W. Harvey, who served for 24 years as Secretary of the Y.M.C.A. in China.

The National Day of Finland was celebrated Dec. 6. N. Niskanin, Acting Consul General, distributed a pictorial with accompanying text for the occasion.

Miss Ruth Benedict of the *North China Daily News* sailed for Los Angeles by the s.s. *President Hoover* Dec. 4 on holiday. She expects to return to Shanghai next spring.

Two Japanese civilians were killed and one seriously wounded in a bandit attack on Linchiatung on November 29, according to reports received by the Japanese Consulate in Tsitsihar, Dec. 4.

Sir Frederick Maze, Inspector-General of the Chinese Maritime Customs, was the guest of honor at a tiffin party given by Dr. Alfred Sze, Chinese Minister to the United States in Washington, D.C. Dec. 3.

W. J. Hawkings delivered a travelogue (accompanied by motion pictures) "A trip through the British Isles, United States and Canada by motor car" at the Shanghai Foreign Y.M.C.A. Tuesday, December 4.

The new Chaplain to the U. S. 4th Marines—Rev. M. M. Witherspoon—will be installed by the outgoing Chaplain, Rev. Brooks, at the Fourth Marines Church service, to be held in the Cathay Theatre, tomorrow, Dec. 8.

Jabin Hsu, director of the Department of General Affairs of the Ministry of Finance, will depart for Manila on the s.s. *President Coolidge* Dec. 18 to study trade conditions and other matters in which Chinese commercial circles may be interested.

Denman Pease, of the passport office of the U. S. Consulate General in Shanghai, and Miss Flora M. Stevens of Berkeley, Calif. were married by Judge Helmick Dec. 1. Mr. and Mrs. Pease are spending a month's honeymoon in French Indo-China.

Cheng Lieh, Chief Procurator of the Supreme Court, returned to Nanking end of last week from Hangchow, where he conducted an investigation into the recent assassination of the late Shih Liang-tsai, proprietor and publisher of the *Shun Pao*.

Having spent some time in Manila on what is said to be an extensive training cruise, the Spanish "school" ship *Juan Sebastian de Elcano* is expected in Shanghai about December 28. The commanding officer is Capt. Don Salvador Moreno.

Sir Alexander Cadogan, British Minister to China, arrived with his family in Shanghai Dec. 3, after a tour of South China. While here Six Alexander called on General Wu Te-chen. He was the guest of honor at a luncheon given by the Pan Pacific Association Dec. 6.

Provisional winter shelter huts are being erected for the Shanghai city's poor by the Federation of Benevolent Societies, Shanghai, at two points, one located at the Zaochow Guild, near the South Railway Station, and the other at the Zaowei Guild on Zia Zoo Road.

Ma Teh-chi, newly appointed director of the Kiangnan Dock and Shipbuilding Yard, to succeed Admiral Chen Shao-kwang, has assumed the duties of his new office. Mr. Ma is a native of Foochow, Fukien. He obtained his training in shipbuilding and engineering in America.

The mission of the Federation of British Industries, which recently visited Japan and Manchuria, did not enjoy any special support from the Government and was of a strictly commercial nature, stated Sir John Simon, the British Foreign Secretary, before the House of Commons Dec. 3.

A three-day auction of a private collection of curios is somewhat of a record, even for Shanghai. E. W. Eickhoff is disposing of his collection in an auction at his residence 325 Great Western Road, held both morning and afternoon, Dec. 5, 6 and 7, prior to retiring from Shanghai.

The Isis Theater, situated just beyond the Settlement limits, is becoming a sort of headquarters for showing films barred from the Foreign Settlement and French Concession for political reasons. The latest film of this character was a news reel showing the assassination of King Alexander of Yugo-Slavia at Marseilles.

Mail from Shanghai to London is not despatched via Siberia and, therefore, takes over one week longer than mail sent from London to Shanghai. This fact was brought to the attention of of the House of Commons Dec. 3. Sir Henry Kingsley Wood, Postmaster-General, said he would consider the matter.

Y. S. Chiang has arrived back in Shanghai after making a world-wide economic investigation that lasted three years. Mr. Chiang was sent abroad by the Chekiang provincial government in the summer of 1931 as a reward for the success he had achieved in reorganizing the revenue system and bringing a return to the provincial coffers.

Senator Tydings, chairman of the Senate Committee on Territories and Insular Affairs, Senator McKellar, Senator Gibson, Senator William Gibbs McAdoo and Representative Charles D. Millard of New York, passed through Shanghai during the week enroute to the Philippines where they will investigate political and financial conditions.

"Babe" Ruth, Connie Mack and other American baseball stars arrived in Shanghai this week from Japan. The *C. S. Monitor* says that Kipling in writing that "East is East and West is West" was reckoning without "Babe Ruth" and compared the reception given him and his fellow ball players in Japan to that which New York gave Lindbergh on the occasion of his historic trans-Atlantic flight.

Mrs. Lois Kupfer Laurenz, wife of the manager of the leading German firm in Shanghai, Carlowitz and Co., died from heart failure Dec. 1. She was born of American missionary parents in Kiukiang. Mrs. Laurenz is survived by Mrs. L. K. Kupfer, Kuling, her mother; Major A. K. Kupfer, U.S. Army, Knoxville, Tennessee, her brother; Mrs. L. Haesloop, Peiping, sister; and Mrs. J. H. Morgan, Shanghai, sister.

The *Paris Herald* has absorbed the *Chicago Tribune* (Paris edition). The latter was founded. July 4, 1917 by Col. R. R. McCormick in support of the A. E. F. The *Paris Herald* until it was sold by the younger Bennett, for something like two decades daily on its editorial page reprinted a letter signed "Old Philadelphia Lady" asking for the formula to change Centigrade to Farenheit and vice versa. Every now and then some reader would see it for the first time and send in an answer.

Liu Chun-yi, Chinese Minister to Copenhagen, who has been attending the special assembly of the League of Nations as the Chinese delegate, is remaining in Geneva in order to present China's request for the reduction of her financial contribution to the League. He presented a memorandum to the League Dec. 3, saying that the purpose of the memorandum is to amplify the statement submitted by the Chinese delegate to the fourth committee of the fifth assembly of the League, with a supplement containing certain data for further consideration.

A loan settlement agreement was recently concluded between Katsuji Uchida, director and general Manager of Eastern Industrial Co. firm, and Chiu Chia-hua, Nanking Minister of Communications. The agreement provides for the funding of the loan advanced for the Improvement and Extension of Telegraph Lines totalling 150,000,000 yen made in 1920. The loan was defaulted from the very start. Bonds of this loan are held by the Industrial Bank of Japan, the Bank of Taiwan, the Bank of Chosen and the Furukawa and Sumitomo banks.

The American Returned Students' Association of Shanghai will hold its first annual dinner dance at the Paramount Ballroom on December 12, the proceeds from which will be devoted to maintenance of the Association's free medical clinic and school for the villages in the Minghong area. The American members of the local American University Club as well as those eligible for membersship have also been invited to participate. Many of Nanking road's leading Chinese and foreign shops have contributed prizes for a raffle to be held during the evening.

In a petition to the Ministry of Communications, the China Merchants Steam Navigation Company reports that the balance of the £400,000 Loan from the Sino-British Boxer Indemnity Refund for the four steamers recently built in Britain will be utilized for the construction of a river steamer and two 500-ton motor boats in China in order to meet increasing shipping demands. The Loan was for £400,000 but the actual cost of the four ships from Britain totalled £346,000 only, leaving a balance of £54,000. According to the estimates of the C. M. S. N. Co., the remainder will be sufficient for the building of a river steamer and two motor vessels.

Twenty Chinese Miners Fall to Their Death in Kailan Mine

The steel-winding rope carrying the cage in a Kailan mine shaft broke Dec. 2, with the result that the 20 Chinese miners occupying the cage fell to their death, with their bodies horribly mangled, 700 feet blow.

71-072

Italian-Built Boats, Destined for Soviets, Arrive at Hongkong

Two Italian coastal patrol boats without armaments and carrying a Russian Admiral and engineers arrived in Hongkong, Dec. 3. It is understood that the vessels were built in Genoa for the Soviet naval yards at Vladivostok to which they are now proceeding. The vessels are steam-lined and built on lines similar to those of destroyers.

Relatives of "Taishan" Crew Demand Grants

Relatives of the crew of the steamer *Taishan*, which foundered 140 miles south of Tsingtao after sailing from Tsingtao harbor on November 27, besieged the Sanpeh Steam Navigation Company in Shanghai and sought compensation from the company Dec. 4. The steamer carried a crew of 51, including the chief officer and mates and the wireless operator, and was manned by a Norwegian captain, V. Heilemann. Four bodies of the vessel's crew were picked up by H. M. S. *Bridgewater*, which arrived here on December 1.

French Police Unearth Plot to "Sell Gambling Rights"

The Shanghai Concession French Police early this week unearthed an audacious swindle based on the purported possibility of obtaining permission from the French authorities to operate gambling houses in the French Concession.

For some time reports had been in circulation that, in view of the impending departure for France on long leave of M. Meyrier, French Consul-General, authority could be obtained from his successor for opening gambling houses in the Concession. These reports come to the ears of the French police who quietly investigated, and contact was established with a Chinese named Peu, who (falsely, of course) claimed to be "an advisor to Dr. Wellington Koo, Chinese Minister to Paris." Peu, according to official reports, declared he could obtain licenses which would bring in a regular income of $225,000, but the stipulation was laid down that the interested and alleged responsible parties required substantial bank deposits. Eventually eight Chinese alleged to be implicated in the conspiracy, were arrested.

Park Hotel Officially Opened by Mayor Wu Teh-chen

The Park Hotel, operated by the International Hotel Company, Ltd., and located at 164 Bubbling Well Road, was formally opened with a reception Dec. 1. The official ceremony marking the inauguration of Shanghai's new hostelry was performed by General Wu Teh-chen, Mayor of the Shanghai City Government.

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Ill-health is probably the stiffest burdle one can meet in life, for when it comes, not only is it a source of much anxiety and expense, but also it is a handicap to any real progress.

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A. C. E. Braud,
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CUSTOM HOUSE,
Shanghai, 1st December, 1934.

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71-073

New Books of Interest in the Far East

The Celestial Scene as Viewed by a French M.D.

Medicine Man in China, by A. Gervais, translated from the French by Vincent Sheean; published by Frederick A. Stokes Company, New York City, U.S.A. 336 pages.

This is neither the most profound nor the most instructive non-fiction book on China that this reviewer has ever read, but it is easily the most entertaining and it is also a far more revealing sketch of the Celestial scene than the vast majority of tomes with far greater pretensions.

Dr. Gervais is evidently a member of that most civilized genus of the species *homo sapiens*—a satirical savant in the tradition of Voltaire and Anatole France. In addition, he is a member of that most cultured of professions—medicine. Neither chauvinistic Chinese nor humorless foreigners, be they die-hards or radicals, will like Dr. Gervais' book—which is all to his credit,—but in answer to any chauvinistic squawks, let it be noted that he dissects foreigners, including his own countrymen, no less mercilessly than he does Chinese. Nor does he spare himself; one of the most amusing chapters in the book is a detailed account of his first experience in patronizing a Chinese prostitute and the reactions thereunto of the Reverend Father Director of the hospital and the Franciscan sister who was his assistant.

Dr. Gervais' China career was spent as a practicing surgeon and professor in the medical school in Chengtu, Szechwan. Much of his book deals with his professional work, including two extremely illuminating chapters on the hazards and eventual success of instituting dissection of human bodies in the school. This *sina qua non* of modern medicine was, as most persons are aware, in defiance of Confucian scholasticism, and but for Dr. Gervais the epochal innovation in Chengtu would have been human *vivisection* since that happened to be the local warlord's idea for an ideal Celestial holiday.

One of the most revealing medical notes is that prosperous opium smokers came "once or twice a year to the hospital to undero the disintoxication treatement, so that they could appreciate the pleasure of smoking more afterwards." Another is, that pregnant women were not admitted to the Catholic Hospital because it so happened that only Franciscan nuns were available as nurses and it would have been a violation of the precepts of St. Francis to make midwives of them; besides, as the Apostolic Vicar of Szechwan explained, "China's sufferings were due rather to an excess of population" and he "saw no necessity for encouraging Chinese women to have many children!"

On the Protestant side, Dr. Gervais presents another handicap of medicine under religious auspices: two American missionary doctors were enlisted only after long argument in a popular campaign for first-aid in cholera by giving opium and alcohol; "they pointed out . . . . that they had come to China expressly to fight these two plagues . . . . and that it was contrary to the aim they had in mind to associate themselves with a plan which involved the use of such things."

Dr. Gervais does not pose as any authority on either Chinese character or politics, but he often makes eminently sound observations without being dogmatic. In one place he records: "I had learned the art of waiting, and began to understand that life was a long road which could be covered quickly or slowly, in calm or in agitation, but which led one, in any case, to the same inevitable end at the appointed hour. I learned also to utilize the fear and stupor felt by the natives in the presence of a furiously angry European. In dealing with an unconquerable superstition or stubbornness, I no longer wasted time trying to argue people into accepting an idea they could not even understand; I simply forced it upon them by means of a well-imitated anger." One of his best stories is in illustration of this,—how, in an outburst of anger with the addition of some physical force, he put a pig-headed old mother-in-law in her place long enough to save the life of a young wife suffering from serious retention of urine. The old-fashioned woman, of course, had refused to voluntarily permit a "foreign-devil" doctor to establish the intimate contact necessary for such an operation.

Although the experiences of Dr. Gervais are more than a decade in the past, they are as typical of the vast bulk of China today as when they happened. Thanks, of course, to such pioneers as Dr. Gervais, some of the worst Chinese superstitions are less conspicuous than formerly in the large cities, perhaps even in Chengtu, but they are still vital, albeit deplorable, aspects of the country.

A medical man, naturally, sees the more seamy side of people wherever he may be, and Pollyannas might argue that in consequence too much store should not be set by his observations. And, to be sure, if one wishes to live by a sun-dial—which registers only the sunny hours—such a viewpoint is valid. But a clock, which records *all* the hours, is the more ideal guide for rational, realistic persons. To repeat a trite but true remark, a chain is no stronger than its weakest link; wherefore, a knowledge of the worst side of men or nations is necessary for any correct evaluation of them. Which is probably why this reviewer has always found physicians, *as a group*, to be the most civilized, the most understanding, and fundamentally the most humanitarian of all men.

And, as has already been indicated, Dr. Gervais is not only a medical man, but an observer and a writer in the tradition of Voltaire and Anatole France. Beyond that, there are no words of praise. But one reservation must be made: in his opening chapter, he casually refers to Shanghai as "an *American* town planted on the shores of Asia;" this the reviewer resents with all his remaining 11% Americanism, although a Frenchman may regard such a jibe as justifiable retaliation for the war debts still claimed by the United States.

In Mr. Sheean, who was in China during 1927, Dr. Gervais appears to have found an extraordinarily competent translator, although the reviewer cannot speak *ex cathedra* on this point. However, the English title, "Medicine Man in China," is very ill-advised, for "medicine man" definitely has the connotation of quack. Far better would have been simply, "A French Physician in China."

W. B.

City-Wide Festivities in Shanghai Dec. 10 Will Celebrate "Red" Defeat

A motorcar parade and other festivities in Shanghai will celebrate the success of the Communist-suppression campaign in Kiangsi. The affair will be staged by the Chinese City government and civic bodies in concurrence with the opening of the Fifth Plenary Session of the Central Executive Committee in Nanking, according to a decision reached at a joint meeting held at the local Kuomintang Headquarters Dec. 4. More than 20 local leaders representing more than 15 local government and civic organizations were present at meeting. Tao Po-chuan of the local Tangpu presided over the meeting.

According to plans decided upon, the celebration will begin at the auditorium of the Shanghai Chinese Chamber of Commerce at 10 o'clock in the morning of December 10 when all members of the government and Kuomintang staff as well as five representatives from each local public body will be present.

The Aviation Bureau of the national government will be requested to send out airplanes to fly over Shanghai and drop pamphlets and handbills impressing the public with the significance of the Communist-suppression campaign. All public buses and tramcars will be bedecked with posters, while slogans calling for nation-wide support for the government's anti-Red drive will be posted up by Chinese merchant shops.

Following the meeting of the Chinese Chamber of Commerce, a grand motorcar parade will be staged through Shanghai's main thoroughfares.

That Open Door

(From the Christian Science Monitor)

Specifically, the open-door policy refers only to China. The phrase is said to be Lord Charles Beresford's but the sponsor will always be identified as John Hay. At the dawn of the twentieth century, that able American Secretary of State saw the partition of China ready to begin, and he was able to persuade the foreign powers (though Russian approval looks very dubious in the documents) to stay their hand. Together they agreed to keep the Chinese door open, and at the Washington Conference the promise was written into a formal pledge, being one of the articles of the Nine Power pact.

Now, in a territory that was Chinese at the time of the Washington Conference, but is now the separate but unrecognized state of Manchukuo, the Open Door is in danger. Manchukuo is preparing to establish a state oil monopoly. This will freeze out foreign distributors. Another diplomatic conflict is threatened, with Britain and the United States leading the protestants.

Again there will be a difficulty of finding the right quarter in which to protest. Manchukuo will, of course, be bland. "Recognize us," it will say, "and then we can discuss your right to trade with us. Meantime we must reserve the right to dispose of our trade as we please. Treaty right? They were with China, and we are no longer China." Japan will, of course, disclaim responsibility. If the diplomats produce all the promises to maintain the Open Door which her statesmen have uttered since the Manchurian adventure started, then Japan will still disclaim responsibility.

The correspondence will thus prove more than a little embarrassing. But it will be embarrassing for another reason. There are no open doors any more in the world. Each country seems to have barricaded itself against outside trade with tariffs, exchange restrictions, quotas, licenses, nationalistic currencies and the like. Of course, these are different. They are rarely achieved by an outright breach of treaties such as Japan has indulged in. Yet the chancelleries will be lacking in a sense of humor if they cannot spare a smile for their perfectly proper protests about a shut door in Manchukuo while they are engaged in bolting and barring their own.

Twelve Powerful "Consolidated" Seaplanes Being Built in Buffalo

The San Diego (Calif.) *Daily Union*, in an article published Nov. 22 reveals the fact that 12 of the world's most powerful seaplanes are under construction at the plant of the Consolidated Aircraft Corporation in Buffalo, New York. The paper further believes that the new planes, manned by a picked crew of crack airmen, may attempt a world flight starting from New York in the early part of April.

Commenting on the size and range of these ships, the paper credits reports from Washington as stating that each plane is said to have a cruising radius of 3,000 miles, enabling them to circle the globe with only a dozen stops. It is also revealed that several of the planes will be sent to the naval base at Pearl Harbor, Hawaii. The ships are reported to be virtually twice the size of those which recently flew to Honolulu.

Meanwhile, at San Mateo, California, a forecast was made by Congressman John McGrath, Democratic Representative from California and member of the House naval affairs committee, that there will be a concentration of the navy's lighter-than-air craft on the Pacific coast.

The Congressman stated that the weather on the Pacific seaboard provided the best opportunity for testing the possible usefulness of such aircraft. He was of the belief that another hangar would probably be constructed at Sunnyvale, where there is already one housing the giant dirigible, *Macon*.

Representative McGrath said: "I believe that lighter-than-air craft is still in an experimental stage and we cannot afford to discontinue investigation. We must spend more on them, even if it is only for experimental purposes."

Proposed Tokyo to Dairen Air Service to Take Only 8 Hours

An express air service between Tokyo and Dairen is contemplated by the Japan Air Transport Co. According to the proposed plan, the distance of 1860 kilometers between the two cities, will be covered in seven or eight hours, instead of the one-and-half days in summer and two days in winter required under the present schedule. Douglas planes which have recently been imported from the United Statss to be employed on the Formosan air route will be transferred to the proposed service.

⁂

Airplanes Versus Mules in Peru

A remarkable victory for the airplane is reported from Peru, where 735 tons of mining equipment were transported by air from Cuzco across a 16,000-foot Andean ridge to a destination on the eastern slopes of the mountains. The distance was only fifty miles, but it was all mountain gorges and jungle. The average flight was thirty minutes, and the task involved 421 round trips and extended over three months. The impressive feature of the performance is that heavy freight transportation is precisely the field in which no future for aviation is to be expected. The manager of the Peruvian mining company says the task would have required 7,300 mules averaging four or five weeks for the round trip.

⁂

One Hundred and Ten Japanese Fliers Lost Lives Last Year

The Japanese Imperial Aviation Association held its annua festival Nov. 28 at the Aviation Shrine in Tokyo and honored the names of 48 army, 54 navy and eight civilian aviators who were killed in air crashes and accidents between October, 1933, and October this year. Many leading personalities, including most of the Cabinet Ministers, were present at the ceremony.

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Japan's Procedure in Notifying Treaty Denunciation to U.S.

A London message of Dec. 3 stated that the United States and Great Britain would accept Japan's proposal for a quantitative limit, if that limit is set at about one million tons for each of the two nations. Japan, however, is opposed to setting the maximum limit at that figure on the ground that it will necessitate extensive construction, instead of the disarmament urged by the Japanese Government. None of the other signatories will join Japan in denouncing the Washington treaty.

The Privy Council at Tokyo, in view of the seriousness of the matter, will appoint a special commission to study the procedure in connection with denouncing the treaty. The commission will report to the Council on December 19. Koki Hirota, Foreign Minister, will then instruct Hiroshi Saito, Ambassador in Washington, formally to notify the United States Government on December 20. The notification to America will be a simple communication stating that Japan will withdraw from the Washington and London treaties when they expire on December 31, 1935. A proclamation stating Japan's specific reasons will be issued in Tokyo by Mr. Hirota.

Closely following the release of the annual report for 1934 of the U.S. Secretary of the Navy, Claude A. Swanson, in which the determination of the United States to build up the limits of the naval treaty was reaffirmed, news was received in Washington Dec. 1 from London of the revival of hopes there for a new treaty to run for ten years from the expiration of the Washington Treaty. Mr. Swanson indicated that the United States might be willing to reduce her naval strength if other Powers did likewise, "but it is my firm conviction," he added, "that the interests at stake justify and require that our Navy should be second to none."

Under the suggested new agreement, each party to it would at the beginning announce its naval program for the first five years of the treaty's life. Nothing has yet been arranged regarding the second five years, but, presumably, unless the signatories are willing to face unregulated building, there would have to be a subsequent conference to decide upon the program for the second period of the agreement.

There is said to be good ground for believing that the Japanese are favorable to such a treaty, although they are understood to be anxious to learn in more detail what the British requirements will be under the suggested agreement.

Powder Manufacturers Squelch Film Based on Munitions Racket

Extract from an article by George Seldes, entitled. "The New Propaganda for War," in Harpers Magazine, Octover.

"A few weeks ago three companies were bidding competitively for film rights on books exposing the munitions racket. When negotiations were suddenly dropped by the companies and the usual form letter sent, an inquiring literary agent was told by a high movie official that the powder and armorplate interests had asked the banks which control the film company never to indulge in any film which criticizes the munitioneers."

***

Test of Singapore Defences to Be Made Dec. 12

Combined Army, Navy, and Air Force maneuvers to test the strength of the Singapore defences will commence on December 12. A total of 21 ships from the China Station as well as the full strength of the available air forces and Army troops, will participate. The scheme is to estimate the chances of successful defence in the case of an unexpected attack at a time when only torpedo-boats and aircraft are available.

Money Position Quite Sound, Says Dr. H. H. Kung in Interview

Referring to the financial situation in Shanghai, in the course of an interview Dec. 1, Dr. H. H. Kung, Minister of Finance said that the position of the Chinese banks was absolutely sound. Despite the recent large shipments of the white metal abroad by foreign financial operators, he said more than $300,000,000 cash silver was now remaining in Shanghai, over 80 per cent of which was being held by the Chinese banks.

A tense situation has been caused in Chefoo where several banks and gold bar exchanges have suspended business as result of continuous outflow of silver to Dairen from said port. The Finance Bureau of the Shantung Provincial Government sent a cable to Chefoo asking the authorities of the Bureau of Public Safety there to take appropriate action with a view to checking the exodus. Meantime, large quantities of silver from Tsinan have been sent to Chefoo to meet the growing demand. The co-operation of the Shanghai Chinese Chamber of Commerce, the Chinese Bankers Association and the Native Bankers Association in Shanghai has been solicited by the Ministry of Finance in the prevention of smuggling of silver from Shanghai into foreign countries.

London Expresses Confidence in China's Dollar

London financiers (according to *Reuter*) are not inclined to regard Shanghai's attack on the dollar too seriously. Since the silver export tax was imposed by the Chinese Government, it is stated, the export of the metal from China has virtually ceased. The Chinese Government itself has not exported a single ounce. Chinese selling of silver is thus confined to silver outside China. It is believed that China has ample silver to back her notes and it is probable that nervous depositors, especially people in the interior who are always liable to panic, are withdrawing silver dollars from banks for the purpose of hoarding, as occurred in Europe recently in respect to gold.

The notion that the Chinese Government will declare its notes inconvertible, which must have a disastrous effect on trade, is derided in London. The Chinese Government, it is pointed out, is just now enjoying very favorable comment in the press abroad and it is not likely that it desires to injure this by "monkeying" with its notes.

"Manchukuo" Gives an Example in Monetary Reform, Says American Writer

Sterling Fisher Jr., writes in the N. Y. *Times*:—"As to China I cannot too earnestly urge that Western people look more closely at the motives for American policy toward her. Those who observe fairly, and with a full knowledge of the facts can see that America's aim is not domination, but the assurance of peace and security. We do seek to establish law and order, but the fear that we will engage in imperialistic and selfish aggression grows out of a failure to take amount of the threats to her very existence that Japan has had to face in a chaotic and hostile East. If we can co-operate with China in establishing peace in Eastern Asia that is all we want. Already there are signs that China is taking a more reasonable stand and looking toward the betterment of the situation. The Chinese have already seen, for instance, how reforms have been carried out in two years in Manchukuo; there, under the previous regime, every city had its own money, which was not interchangeable, and that is almost the case in China now. In two short years the Bank of Manchukuo's money has supplanted the irregular money, and there is a movement in China, in fact, to adopt the same system. And another example: Confucian rites, based on observance of the 'kingly way' of devotion to public welfare, have been stimulated throughout Manchukuo, resulting in a definite upward trend morally, and now China is emulating this revival."

Four Transoceanic Planes Ordered by Pan-American Airways

Orders for the construction of four giant trans-oceanic airplane have been placed by the American Airways. Mr. Trippe, president of the company, states that the new machines will cost U. S. $1,000,000. "When these new planes are put into service." Mr. Trippe said, "the company will have at its disposal 10 units for the air service between the United States and Latin America, Alaska, and China, and will proceed with trans-Pacific test flights. The new machines," he concluded, "will be larger and more powerful than those which are now maintaining the service between New York and South America."

Chinese Are Wonderful Seamen, Says British Captain

A glowing tribute to the seaman-like qualities of the Chinese was paid by Captain J. A. V. Morse, at the time of his leaving for China in London Nov. 13, to take up his appointment as advisor to the Chinese Navy.

"The Chinese are wonderful seamen and their ships are spotlessly clean," he said in an interview. "There is nothing I can possibly instruct or advise them about in that respect."

Geneva Official Speaks Favorably on China's Opium Regulations

M. Blanco, director of the Anti-Opium Information Bureau, in a broadcast to Geneva Dec. 3, gave a general review of the activities of the Opium Advisory Committee of the League of Nations. He recalled China's difficulties in effectively enforcing the prohibition of the drug, and commented favorably on the provisions of the new regulations which suppress opium and narcotics within six years, provided, of course, that these provisions are rigorously and honestly applied. He rendered homage to General Chiang Kai-shek's courage to face the situation, claiming that General Chiang had assumed heavy responsibility in promulgating the regulations and hoped that he, General Chiang, would be successful in ridding China of opium and other narcotics within the time limit.

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